

Community Access to Cash Pilots

Final report
December 2021





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SECTION 1

Foreword

Three years ago, when leading the Access to Cash Review¹, I heard a national news story about the first pub in Britain to go cashless². The sentiment at the time was that surely we will never move away from cash.

Just three years later, following a global pandemic, many more people are questioning why we still use cash at all. For the 5 to 8 million people who depend on cash, the risk of exclusion is greater than ever. I'm often asked whether the banks really take this issue seriously. The answer is yes.

All the major banks are acutely aware of the challenge of meeting the needs of their more vulnerable customers, and of keeping cash services sustainable when cash is in rapid decline. These cash pilots are just one of a number of responses to this issue – by seeking to identify sustainable ways to keep cash viable that also support community regeneration and local growth.

The idea for the pilots wasn't mine. It was the brainchild of Helen Grimshaw of NatWest, who back in 2019 was leading NatWest's cash strategy. Helen suggested that we work with the banks and consumer groups to explore ways to protect and maintain cash access that worked better for communities and was more sustainable for banks. From that initial conversation, the pilot programme was born. Every bank we approached to get involved has done so enthusiastically, investing time and effort into making the pilots work. Their commitment has been matched by others, particularly the Post Office, LINK and the work of the communities themselves to set up and run the pilot services.

Despite the challenges of Covid-19, we ran the pilots as we had planned, but where we've ended up is not necessarily where we thought we would. Cashback, for example, has turned out to be useful (as we had suspected) but more as a source of resilience and 'back up' than as a replacement for other services like ATMs. Banking Hubs, which some thought might be white elephants, have been so popular that I thought that there must have been a mistake when I saw the survey results. And what we learned about the needs, motivation and behaviour of small businesses challenged some of our original assumptions. In short, we now have a much better understanding of what works and doesn't work for the cash dependent and for small businesses, which can inform the development of cash services in the future.

Working with the individual communities has been the highlight of this work. Over the past two years, we've got to know each community well. We've been bowled over by the commitment shown by local residents and elected officials to supporting their town, residents and businesses.

It's been overwhelming at times to hear some of the stories of the problems that people faced and the

difference the pilot solutions have made. I cannot thank the leaders of all eight communities enough for what they've done.

The job of the Community Access to Cash Pilots wasn't to design the future model – just to understand what works. Over the past few months I've been working in parallel with the Cash Action Group, which is also a partnership between the banks and consumer groups, to determine how we take these lessons and put them into practice for the future.

What is already clear is that shared infrastructure makes services more likely to be sustainable in the long term. Banks can share the costs of providing services such as deposit machines or Banking Hubs between them, and customer demand will be far higher than for services provided by just one bank as they support the whole community. I forecast that supporting cash long term will necessitate far more sharing of costs and services between the banks.

The pilots have already made a lasting impact. As a result of our work, the Government changed the law to enable cashback without a purchase to be rolled out nationally. And the two Banking Hubs have made such a difference to the local communities of Rochford and Cambuslang that the banks have agreed to keep them running, on an ongoing pilot basis, until at least the spring of 2023.

I'd encourage anyone who is interested in local community regeneration, in 'levelling up' or financial inclusion to read this report. Supporting cash is about more than keeping a form of payment viable; it is intrinsic to the viability of communities and to helping vulnerable people manage their money and stay independent.

The stories we share in this report bring this to life. What we must now do is learn from the experiences of these communities, and consider the difference that applying some of these ideas more widely could make to the UK as a whole.



A handwritten signature in black ink, appearing to read 'Natalie Ceeney'.

Natalie Ceeney CBE

**Chair
Community Access to Cash Pilots**

1 <https://www.accesstocash.org.uk/media/1087/final-report-final-web.pdf>

2 <https://www.eadt.co.uk/news/pub-near-ipswich-suffolk-stops-taking-cash-payments-2486836>

SECTION 2

Executive summary

Cash may be in decline, but millions of people across the UK – and the communities they live in – still depend on it. The pilots have given us the opportunity to develop a deeper understanding of the needs of people who depend on cash and to test new ideas to meet those needs.

Our goal when we started the programme was to use the results of the pilots to inform regulators and industry – so that cash can remain a viable means of payment for consumers across the UK, and so that small businesses are able to continue to accept and bank cash. Through extensive piloting of different services across eight very different communities, and rigorous evaluation through multiple lenses, we are now confident that we can do just that. We have drawn eight key conclusions from this work, which are detailed on pages 52–89, and which are summarised here.

1. Pilot interventions were most successful when they were tailored to the needs of a community and run in partnership with local people.

It's very tempting to see the results of a pilot, spot something which works and think that it gives the answer for every community. What the pilots showed conclusively is that there is no 'silver bullet' that meets all needs and that would work well in every community. Different solutions worked differently in different locations because their needs were different.

Interventions also had a very different impact when they were designed and run in genuine partnership with the community rather than designed centrally alongside 'community engagement'. So just because a solution worked in one location doesn't mean it will work elsewhere, particularly if a 'cookie cutter' approach is used to roll out new services. While we can draw conclusions from this work about which solutions might work where, assessing need and deploying solutions has to be done in partnership with the local community if it is to meet needs effectively. And contrary to widespread perception, community partnership usually served to save the project money, not increase costs.

2. A key impact of the pilot interventions has been to save money for people on low incomes.

It is well established that people who are most dependent on cash are also more likely to be on lower-than-average incomes. And the costs of accessing and depositing cash can be disproportionately high for these individuals; using a fee-paid ATM can cost £1.99 for a £10 cash withdrawal, or a trip to make a deposit can include the cost of a taxi for someone who is disabled. In some cases, the alternative was to bear the charges associated with going overdrawn. Across the pilot communities we heard many stories of people who were suffering real hardship before the pilot, and who had saved money and stress by having new local cash access and deposit services.



3. Of all the solutions piloted, Banking Hubs met the widest range of needs.

We trialled a wide range of solutions across the eight locations, but one grabbed most of the media attention and received by far the most positive feedback from consumers and businesses alike: the Banking Hub. It is not a revolutionary concept – it is a high street location with a counter offering basic cash services (withdrawal, deposits and bill payments), with a space to speak to a person from your own bank. However, despite its simplicity, it's not been done before, because of the challenges associated with the level of joint working between different banks. We did take care to design the service with the local community, selecting the staff carefully, and training all of the bank staff working in it to support the more financially vulnerable. However, the feedback far exceeded our expectation. The two communities where we deployed Banking Hubs, Rochford and Cambuslang, credit the Hub for supporting economic regeneration of their towns and for keeping retailers viable. Consumers talked about the safety it provides, the money and time it saved and some described it as 'life changing'. The Banking Hubs similarly saved small businesses money and appeared to support growth in the local economy as people did their shopping more locally, with one trip to both shop and manage their cash. As a result, the two Banking Hubs have already been extended until at least the spring of 2023.

4. **Cashback has real value – particularly in smaller communities, to support people on tight budgets, and as a source of resilience.**

One of the solutions we were particularly keen to test was cashback. For many years, small businesses have refrained from offering cashback to their customers because it costs them money. Until mid-2021 it was also very difficult legally for shops to give cashback unless a customer made a purchase. There were mixed expectations for cashback at the start of the pilots, with some believing that cashback had the potential to supersede ATMs, and others believing it would be rejected by retailers who would be concerned by security risks. We have concluded that cashback definitely has a place in the provision of cash access across the UK, with retailers perceiving few disadvantages, and many customers preferring cashback to ATMs because of the associated privacy and security – and, perhaps more surprisingly, familiarity with retailers providing it. Cashback has proved very valuable to those on tight budgets, with more than half of all transactions being for a sum lower than £20. However, we have also concluded that it is most valuable in smaller communities, to support those on tight incomes, and is best seen as a source of resilience rather than as a replacement to ATMs and other cash withdrawal services. As cash use declines, however, it is entirely conceivable that cashback could support communities where ATMs are no longer commercially viable, or where ATM numbers have reduced.

5. **The environment in which a service is provided can be as important as the service itself – and is critical to its success.**

Consumers and businesses take many of the same things into account when considering how to access cash and make deposits. Proximity to a service is just one consideration. Consumers and businesses alike need to feel they trust the brand and the people delivering the service, particularly when depositing cash. Speed matters, particularly for small businesses where a queue to make a deposit can literally mean closing their own shop to customers while a transaction is made. Not everyone feels equally comfortable managing money, so a supportive and friendly environment matters, and privacy and security also rank high on consumers' and businesses' lists as critical features of service provision. These are not just 'nice to haves'. If these needs aren't met, then consumers and businesses alike will often spend considerable time and money travelling elsewhere to find services which do meet these needs, rather than use more local services which don't.

6. **Cash-dependent people are generally not as comfortable with technology as the general population, so technology-rich solutions met fewer needs.**

During the pilots, equivalent services were provided for counter services and cashback which were either technology-rich, or provided more traditionally. The services which required the customer to use less technology were far more likely to be used and rated more highly. Services to support the cash dependent are likely to benefit from being very simple, easy to use and not require specific hardware or technological capability. That's not to say that better technology doesn't have a key role in supporting cash access, but that the cash dependent are most confident using a service which has a human interface.

7. Supporting customers to manage their money better and to use digital services can work well, but only if done in a customer-centric way.

The vast majority of cash dependent consumers we spoke with in the pilot communities wanted to be able to use digital banking and digital technology. Supporting them to do so is in everyone's interest. Across the pilots we tested a wide variety of approaches – from ad hoc face-to-face support, bespoke videos, workshops on specific topics, and using existing services to introduce consumers to financial support. Some worked, and some simply didn't. Our conclusion is that supporting customers to manage their money better and use digital services will rely on integrating support within existing customer experiences and journeys, ideally delivered through people they already trust. Stand-alone programmes are likely to have minimal impact on cash-dependent people.

8. Small businesses need local, reliable deposit services. They also welcome the benefit that good access to cash can bring in terms of local regeneration and increased footfall.

Much of the access to cash debate in the UK has focused on the needs of consumers. However, for consumers to keep paying for goods and services in cash, small businesses need to be able to keep accepting cash. This means that it is critically important for small businesses to be able to deposit cash easily if it is to remain viable as a method of payment. For the pilots, we explicitly focused on supporting small businesses as well as consumers, and learned a huge amount about their needs. For small retailers to keep cash viable they need local deposit services which are quick to use (during working hours) or out of hours deposit services which are accessible by car, with parking available. Without these services, there is a high risk of shops refusing to accept cash. The pilots also made clear that deposit services still need to accept both notes and coins.



These pilots have developed a robust evidence base for future cash provision. They have been tested over an extended period, in towns and villages across the UK. They have harnessed the expertise of the banks, consumer groups, local community experts, technology providers, and many others. What is needed now is for this evidence base to be used, by the government, regulators and financial services institutions to inform future cash provision.

SECTION 3

A photograph showing three people in a kitchen setting. They are wearing white aprons and white chef hats. One person is holding a calculator on a table. The background shows shelves with jars and a whiteboard.

Why do people still need cash?

The Community Access to Cash Pilots were commissioned in response to the independent Access to Cash Review, published in 2019. The Access to Cash Review concluded that although cash use is in rapid decline in the UK, the UK was not ready to go cashless.

The Review highlighted that 17% of the population – over 8 million adults – would struggle to cope in a cashless society, and that while most of society recognises the benefits of digital payments, the technology doesn't yet work for everyone. The Review outlined the dangers of sleepwalking into a cashless society. Millions of people could potentially be left out of the economy and face increased risks of isolation, exploitation, debt, and rising costs.

A lot has changed since 2019, and these issues have become even more pressing. The global pandemic has accelerated the decline of cash further in the UK, with cash use falling by around 60% at the start of the 2020 lockdown, recovering now to a level around 35% lower than at the start of the pandemic³. Many people have shifted from using cash to comfortably paying for goods and services online, or by card or other digital means. However, there are still millions of people who depend on cash. Cash dependence is highly correlated with vulnerability, and vulnerability levels have risen as a result of the pandemic⁴.

Low levels of financial resilience are a primary driver of cash dependence for two reasons: technology and data cost money, and cash remains a safe way of budgeting. 27% of UK adults have low financial resilience⁵. There are still 1.3 million adults without bank accounts. And despite the criticality of digital connectivity exposed by the pandemic, there are 1.5m households without an internet connection. Cash dependency is highest amongst older adults⁶, and with 5.4 million adults in the UK over 75⁷, there are also many who don't feel comfortable with digital banking or online shopping. Other groups who rely heavily on cash include the digitally excluded (46%), those with no educational qualifications (31%) and those in poor health (26%)⁸. Over time, digital products and services may be developed which meet all these needs, but right now, protecting cash remains essential.

In early 2021, the FCA sized the cash dependent population as 5.4 million adults⁹, and warned that “cash remains a vital payment method for many, including the most vulnerable in society”. The government is also taking this issue seriously. In the 2020 Budget it announced the intention to legislate to protect access to cash for those who need it and has now consulted twice on the detail of any legislation. Since then, all the major UK banks have made a public commitment to protecting cash access, forming a Cash Action Group to develop concrete proposals, as well as funding the Community Access to Cash Pilots.

One of the conclusions from the Access to Cash Review was the need to find new solutions to providing cash access and deposit facilities which are both practical and affordable. The UK's cash infrastructure was built for a high cash age, and many believe that it is becoming increasingly unsustainable – demonstrated by branch and ATM closures. A core aim of the Community Access to Cash Pilots was to try out new approaches to meeting community cash needs.

3 LINK, November 2021

4 FCA, Financial Lives Survey 2020 – reported that over the pandemic the number of UK adults with characteristics of vulnerability increased by 3.7m to 27.7 million and increase of 15% on the prior year.

5 FCA, Financial Lives Survey 2020 – 27% of UK adults have low financial resilience, up from 20% in Feb 2020. This includes those who are already in financial difficulty because they are falling behind on their domestic bills or credit commitments. It also includes those who could quickly find themselves in difficulty if they suffer a financial shock, because they have a low or erratic income or low savings.

6 FCA, Financial Lives Survey 2020 – 42% of those over 85 rely on cash to a great or very great extent.

7 Age UK

8 FCA, Financial Lives Survey 2020

9 FCA, Financial Lives Survey 2020

10 <https://www.ukfinance.org.uk/area-of-expertise/personal-finance/access-cash-action-group>

SECTION 4



About the pilots

The Community Access to Cash Pilots programme was an independent initiative supported by the major banks, consumer groups, and groups representing small businesses. We supported eight communities across the UK to trial and test scalable solutions to help keep cash sustainable.

Our goal was to use the results of the pilot to inform regulators and industry so that cash can remain a viable method of payment for consumers across the UK, and so that small businesses can continue to accept and bank cash.

We established the pilot programme early in 2020 and communities were invited to apply to take part. All MPs were approached and the process was promoted in the media and by consumer groups. Pilot communities were selected by an independent board, chaired by Natalie Ceeney CBE (who led the Access to Cash Review) and supported by representatives from industry, small business and consumer groups. Applications were assessed against two main criteria: the strength of the local leadership willing to lead the work, and the need for innovation in cash access in their community. 23 communities applied for the scheme, of which 8 became pilot communities.

In parallel with selecting the communities, we worked with the financial services industry – existing players and new entrants – to line up a range of solutions for communities to choose from. We knew from looking overseas which services were available elsewhere, and what was technically possible. We also spoke to consumer groups, banks, fintech entrepreneurs and cash experts to understand which other services might be of value. The challenge of complying with financial services regulation, and in some cases working with multiple banks' IT systems, meant that some solutions didn't get past the concept stage, but we were able to work with a wide range of providers to find solutions that could be tested in the pilot communities. The banks agreed to take on some risks of trialling new solutions, in order to get them up and running in a reasonable timescale. We then worked with the pilot communities to match up needs and solutions, then refined the solutions further in partnership with the communities to address specific community needs.

The pilots trialled a wide range of solutions in different locations, including new 'BankHubs', which provide basic banking services including counter services run by the Post Office, and dedicated rooms where customers can see community bankers from their own bank. Other ideas piloted included cashback from local shops, automated deposit machines for small businesses, digital services to make it easier for people to get cash and manage small change, and new ATMs.

The pilot work was funded centrally, with over £1million of funding from the major UK banks. The Post Office was the single biggest contributor, investing an additional £800k to support the 8 pilot communities, covering staffing, branding, technology and operational costs in the two

Banking Hubs. For the individual solutions, there was a blend of funding, including from partners in the programme such as PayPoint/LINK, OneBanks, Shrap and NoteMachine, who covered all their own costs of offering their solutions to the community. For others, such as Sonect, we supported some start-up costs to get the programme moving forward, but the company invested around £500,000 in addition to our central investment.

The pilots did not set out to test the economics of different solutions or their threshold for commercial viability. They set out to test proof of concept, exploring whether different services would meet consumer needs, and in which circumstances they were able to do so. All the communities chosen gained new services; there was no attempt to replace existing services with new services and see which fared better. Therefore, by their nature, all these new services added cost. However, by testing what worked and what didn't we also looked at channel shift (that is, where the people who used the new service had shifted their transactions from), and also gained an understanding of the costs associated with the different services. That has enabled the pilots give insight to the Cash Action Group to inform longer term plans.

Covid-19 presented significant challenges to the development of the pilots, but also gave the programme more time to plan with the local communities. The pilots started delivering their various services in mid-December 2020, with virtually all pilot services up and running by April 2021, to coincide with lockdown lifting across much of the UK. The pilots ran until the end of October 2021.

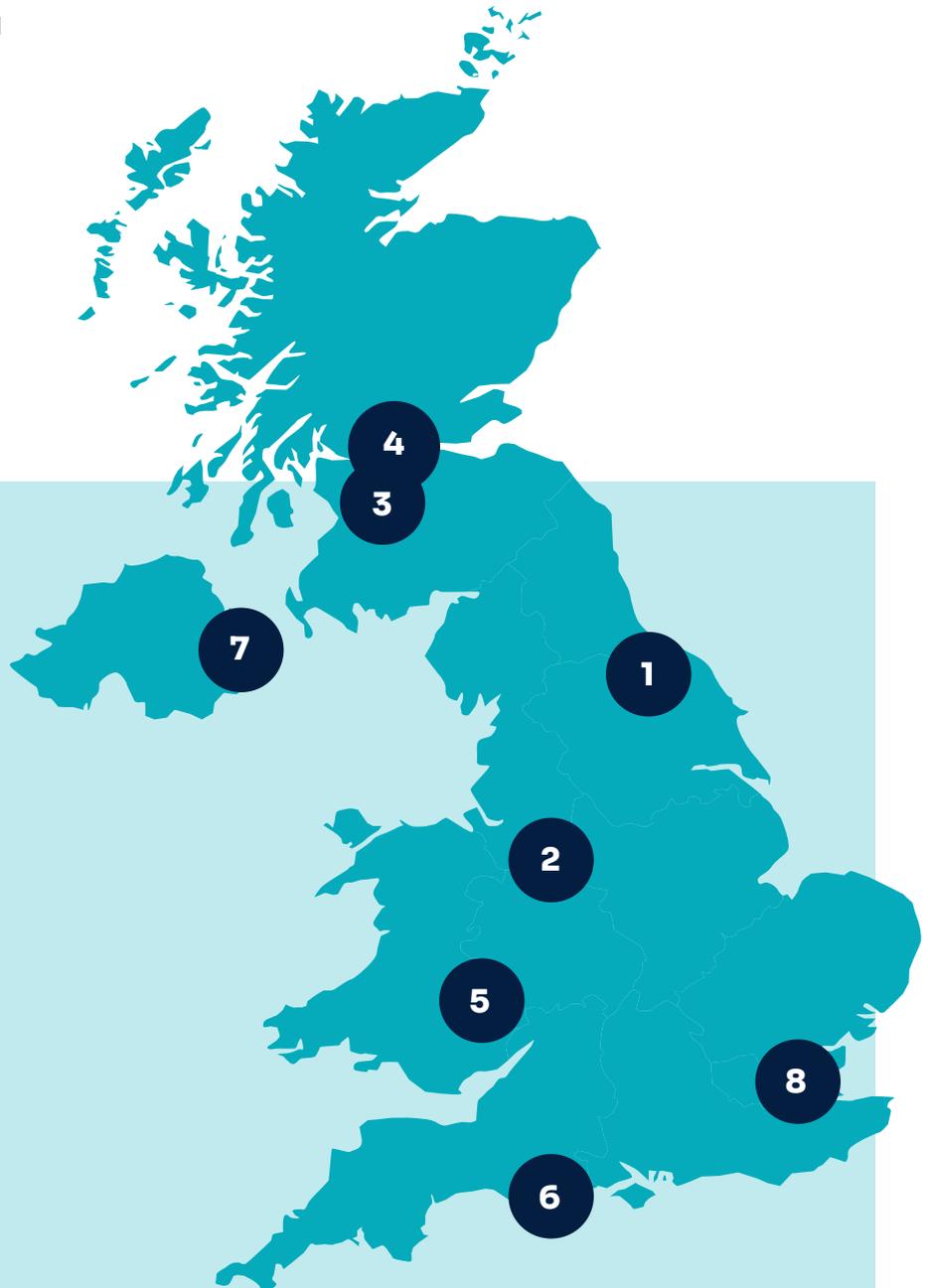
Although the pilots have now ended, many of the services tested are still running. The Community Access to Cash Pilots Board took the decision to extend the two BankHub Pilots in Cambuslang and Rochford until at least March 2023 and supported the decision by LINK to roll out cashback without purchase nationally. In addition, many of the commercial services we supported, including OneBanks, Sonect and Shrap, have gained sufficient confidence in their commercial future through the pilots to keep their services running independently of the pilot.

The pilot communities

The pilot communities were selected based on their need for cash and for the strength of their local pilot leadership team.

The Board also assessed applications to ensure that the pilot communities were distributed widely across the UK, that there was a good urban/rural split, and that they represented different types of community.

Once selected, in the summer of 2020 the pilot communities worked with the central team to assess their local needs and to co-design solutions.



- 1 Botton Village
- 2 Burslem
- 3 Cambuslang
- 4 Denny
- 5 Hay-on-Wye
- 6 Lulworth Camp
- 7 Millisle
- 8 Rochford

The services we piloted



Private, local counter services

People in every community told us that they needed a local, indoor, private and safe space to do their basic banking transactions, particularly withdrawing and depositing cash.

- In **Rochford** and **Cambuslang** we set up new **Banking Hubs** which, like a bank branch, have a counter service to help people with all their basic banking, including cash withdrawals and deposits. They are run jointly by the **Post Office** and the participating banks but they did not offer mail services – they were dedicated to supporting consumers to bank and have been designed to offer privacy and space.
- In **Millisle, Burslem, Hay-on-Wye** and **Denny** we aimed to refurbish the existing **Post Office** facilities to make them easier to use and a little more private, so that they could better support personal banking.
- In **Lulworth Camp** and **Botton Village** we set up new mobile **Post Office** facilities to support basic banking, cash withdrawals and deposits. The **Lulworth Camp** facilities were just for those working and living on site, but the **Botton** facilities were open to the whole of the wider community.
- In **Denny** we worked with a new company called **OneBanks**, which set up a fully staffed kiosk in the local Co-op to offer consumers and businesses free access to their own bank accounts in a secure location. The kiosk used the latest technology and biometrics to provide secure transactions including cash deposits and withdrawals, payments and transfers.



Face-to-face banking support

In **Rochford** and **Cambuslang** the major banks provided face-to-face support to their customers through community bankers. Each bank offered its own services, in their own way, on different days of the week. We deliberately did not seek to align the services offered by the different banks, but every Hub Banker received support and training on the needs of the cash dependent before working in the Hub.



Support to get online and bank digitally

We know that not everyone finds digital banking easy or straightforward. In **Rochford, Cambuslang, Burslem, Hay-on-Wye, Denny** and **Millisle** we offered practical support to help people get online.



A guide to what banks can offer consumers

Every bank offers a wide range of services that many people don't know about. In fact, as we set up the pilots, we had requests for a lot of services – and found that many are already offered. We wrote a short guide to these services¹¹ and how they can help consumers, whoever they bank with.

¹¹ <https://communityaccesstocashpilots.org/wp-content/uploads/2021/03/Cash-booklet-Digitalv4.pdf>

The services we piloted



Cashback

In every pilot community there were limited places to get cash. We aimed to enable people to be able to get cash from local shops using their debit or credit cards. We trialled three different approaches to cashback to see what worked in different areas.

- **Cashback without a purchase**

In **Cambuslang, Hay-on-Wye, Burslem and Denny**, several retailers offered cashback without consumers needing to buy anything through a service developed by **PayPoint**. The retailer received a small fee for offering cashback. The amount withdrawn could be any amount (whether a round amount like £10, or a non-round amount like £6.73)

- **Cashback with a purchase**

In **Hay-on-Wye, Rochford** and **Millisle** a wide range of retailers offered cashback along with a purchase, but the purchase price could be as low as 1p. Participating retailers offered a selection of products costing 1p and were paid to offer this service.

- **'Click and collect'**

In **Burslem**, we trialled a third approach – an app-based click-and-collect service provided by a company called **Sonect**. The **Sonect** service connects a member of the public who wants cash with a business which has cash it wants to offer. This enabled customers to order the cash they needed on the app, knowing that their money would be waiting when they called into the local shop of their choice. This was free for participating retailers to use, and free for consumers. The minimum cash withdrawal sum permitted was £10.



Managing small change

One of the challenges with managing cash is all the small change. Retailers need to keep getting more change from a bank, which can fill consumers' pockets and even end up going to waste. In **Rochford, Millisle** and **Denny** we trialled a new solution, run by a British company called **Shrap**, which enables consumers to receive their change on a card or mobile app. The service is free for both consumers and retailers to use and works like a 'virtual coin jar' where change can be saved and then spent at another participating retailer.



Getting debt advice and support to manage money better

In some pilot communities we worked with local charities and agencies to make it easier for consumers to get help with their finances.

In **Burslem**, we worked with **Number 11**¹², a local charity, to support consumers to manage their money and understand how to budget better. In **Botton Village** we supported the community leaders to do the same for their residents. We also offered similar services to this through our **Banking Hubs** in **Rochford** and **Cambuslang**, and in community hubs in **Millisle, Hay-on-Wye** and **Denny**.

12 <http://number11.org.uk>



Faster and easier cash deposits

Faster over-the-counter deposits.

Many businesses and consumers were aware that the **Post Office** offers banking services from all its branches (including cash access and deposits and floats) but didn't use them as they were typically bustling **Post Offices** and sometimes too busy or lacking privacy. We aimed to refurbish **Post Office** branches (in **Burslem**, **Millisle**, **Hay-on-Wye** and **Denny**) and created new **Post Office** services (in **Botton Village** and **Lulworth Camp**) to give consumers and small businesses better access to these services and introduced a new 'bag drop' service over the counter to enable businesses to deposit cash more quickly.

We also trialled automated deposit machines so that businesses (and consumers) could bank their cash without having to queue. These were set up in **Burslem** (in the **Post Office**) and in **Rochford** (in the **Banking Hub**).

In **Denny** we worked with a new company called **OneBanks**, which set up a kiosk in the local Co-op to offer consumers and businesses free access to their own bank accounts in a secure location. The kiosk was fully staffed and used the latest technology and biometrics to ensure secure transactions including cash deposits and withdrawals, payments and transfers.

We also trialled out of hours 'bag drop' services in **Burslem** and **Cambuslang**, operating longer hours, located in the community and run by **NoteMachine**. Local businesses could sign up to use the service, and simply deposit cash out of hours.



Cash machines

We made sure that every community had one or more free-to-use ATMs. This included new ATMs in **Lulworth Camp** and **Botton Village**, and pay-to-use ATMs converted to free-to-use in **Cambuslang** and **Rochford**. These were provided by **Sainsbury's Bank**, **NoteMachine** and **Cardtronics**. We also made sure that existing ATMs were working well – including improving the accessibility and lighting where required.



Faster and easier floats

We aimed to enhance Post Office facilities in **Burslem**, **Millisle**, **Hay-on-Wye** and **Denny**, and created new **Banking Hubs** in **Rochford** and **Cambuslang** to make it easier for businesses to order and collect floats quickly and with more privacy.



SECTION 5

The pilot experience

– by community







PILOT COMMUNITY

“
Handling cash and physically counting out money is really important to help people budget. It’s been getting harder to access cash since our local bank closed a few years ago.”
COMMUNITY LEAD

Botton Village, North Yorkshire

Financial education and a new ATM were welcomed by this supported living community – offering many residents financial independence for the first time.



Botton Village is a community of 30 houses and farms in the North Yorkshire Moors National Park. It was founded in 1955 by the Camphill Village Trust, a national charity that offers supported living and development opportunities to people with learning disabilities.

60 residents live in the Village, but the Trust also provides day placements – enabling people who live in their own homes to attend workshops, training and Social Farming experiences. These opportunities help people contribute to their community, develop skills, gain hands-on experience and feel valued and appreciated.

Botton's cash needs

As a social care provider, one of the Camphill Village Trust's aims is to help residents become more financially independent. A lot of this is about helping people budget more effectively, which is much easier when people have access to their own cash. The team wanted to explore how best to help residents achieve more independence, and once equipped to manage their money, to test which services would best meet their needs. Because of the Village's rural location, the local team also wanted to see whether new facilities could help support neighbouring communities.

Services provided in Botton



A free-to-use ATM



A new learning zone with IT equipment and education sessions



A pop-up Post Office in the village shop

Did these services meet people's needs?

The new learning zone was equipped with all the IT equipment residents needed to access online banking and other resources. The Trust provided 'tea and tech' sessions every Tuesday, which regularly attracted up to 8 learners. Guisborough Prior College also provided a ten-week course, through which ten residents were able to achieve their first steps into education. The course included sessions on opening a bank account, how to make the most of your money, spend wisely and shop in the village store using the cash machine.

“

For many people, asking someone to travel 3 or 4 miles to access cash is like asking them to travel to the moon. Having cash access onsite made all the difference”

COMMUNITY LEAD

“

I have lived in Botton for over 30 years, am 83 years old and am very excited that I may have a cash machine and a learning place where I can get and look at my savings when I want.”

BOTTON RESIDENT

These sessions provided vital help and support for the residents of Botton – equipping them with the knowledge, skills and confidence they needed to manage their money and use the ATM and the Post Office. In this sense, the learning zone and education sessions were the 'stand-out' intervention and their value will continue well beyond the pilots.

“

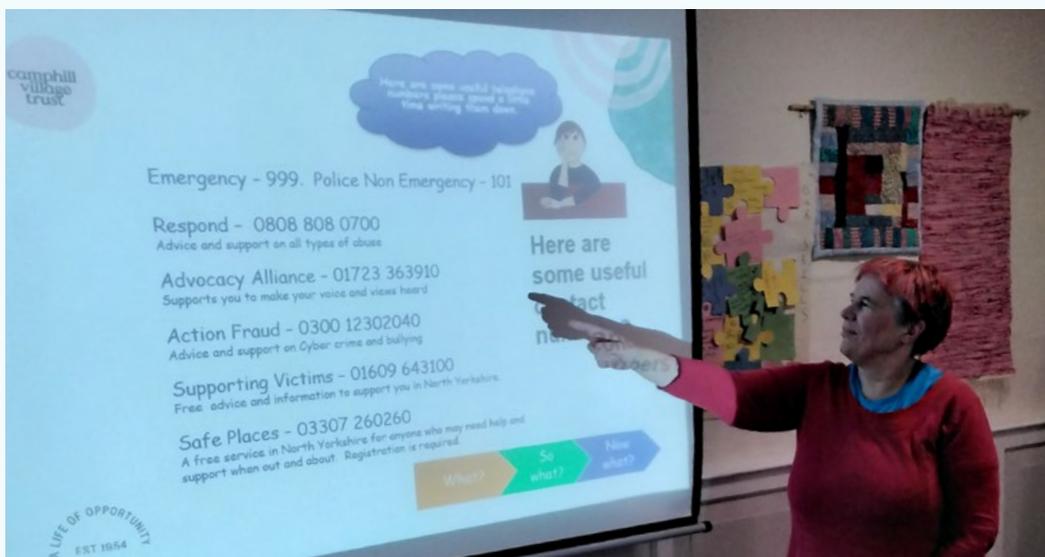
I have learnt a heck of a lot in the past year, including how to use my own cash card and even got some cash back last week, I could not do any of this last year”

DAN, BOTTON VILLAGE

BOTTON CASE STUDY

Financial confidence

One Botton resident had no bank account and no financial confidence before the pilot. With support and education, he was able to use the on-site ATM to withdraw £70 in cash to buy concert tickets.



Once equipped with skills and confidence, local residents gravitated to the ATM. Volumes of withdrawals grew steadily through the pilot, as residents gained confidence in the new technology. By July, the ATM was used for 84 transactions, with a combined value of £10,500 and an average cash withdrawal of £125. This may sound high, but many residents of Botton pay into a communal house fund for the weekly grocery shop. For them, easy and reliable access to cash provided a convenient way to pool funds and manage their weekly outgoings – as well as getting to grips with budgeting. By the end of the pilot, the ATM was being used over 100 times a month, with volumes still growing. The ATM in Botton will remain in place now the pilot has finished.

In contrast, the pop-up Post Office was less popular for banking services, with less money transacted than through the ATM. The Post Office was mainly used for post, with banking services accounting for fewer than 5% of transactions during the pilot period. On average through the pilot there were just 17 cash transactions a month, with a combined value of just over £5,000. The community's preference for the ATM is clear to see. With the pop-up Post Office service being replaced with a mobile service twice a week, the additional demand for the ATM is likely to increase the chances of it being viable over the long term.



PILOT COMMUNITY

“

For poorer communities like ours, cash is important as it gives people control over their spending.”

CASHBACK USER

Burslem, Staffordshire

Free, local cash access saved vulnerable people time and money – with vital support from local charity, Number 11 and Swan Bank Church.



Burslem, known as the ‘mother town of the Potteries’, is one of the six towns that amalgamated in 1910 to create Stoke-on-Trent. Burslem became a centre for pottery manufacturing in the eighteenth and nineteenth centuries, with many famous names, including Wedgwood and Royal Doulton, starting out in the town.

Burslem is among the most deprived towns in the country and almost 40% of residents are experiencing financial difficulties. The town is dispersed, with many residents living 30 to 40 minute walk from the centre. In 2018 Burslem became the first town in the UK with a population of over 20,000 to have neither a bank branch nor a bank ATM on its high street.

Burslem’s cash needs

Burslem had very limited cash infrastructure before the pilots. The Post Office had become an important institution since the closure of bank branches. If people needed face-to-face interaction but didn’t want to use the Post Office, they tended to travel out of Burslem to bank branches in Tunstall and Hanley. The Community Leads in Burslem wanted to use the pilot to support local people with budgeting and digital take-up, to explore solutions for local retailers to deposit and withdraw cash, and to support the thriving night-time economy with better access to cash. Cashback was a core focus of the Burslem pilot, with five retailers offering cashback without purchase through Paypoint (half of the whole PayPoint trial), and six retailers offering Sonect’s ‘click and collect’ service.

Did these services meet people’s needs?

The Post Office continued to play an important role in cash access during the pilots. During the pilot, the Post Office supported over 300 customers and businesses each week with their financial transactions, taking in and paying out over £200,000 a week. Residents told us that they felt comfortable with the familiar, trusted brand, that it ‘made sense’ to them to access cash there, and that it helpfully enabled them to carry out a range

Although some brands still operate there today, production has largely moved away, as have the coal and steel industries, and the town now faces significant social and economic challenges.

Services provided in Burslem



A refurbished Post Office including a self-service deposit machine and speedy deposit service at the counter



Cashback without a purchase through 5 retailers with PayPoint counters



Education sessions provided local charity Number 11 and Swan Bank Church



A free-to-use ATM on the high street



‘Click and collect’ cash through Sonect’s 6 retailers



Out-of-hours ‘bag drop’ service for small businesses

of transactions in one place, including paying utility bills. While the refurbishment of the Post Office was welcomed, in reality, its role in the community was already established and the refurbishment made little practical difference to its ability to support effective cash access.

The location of the Post Office – on a busy road with paid-for, limited parking – continued to present challenges to small businesses. We also found that people were experiencing longer waiting times during the pilot, and many were still travelling out of Burslem to their nearest branch to access a wider range of cash and basic banking services. In light of the high demand and often lengthy queues in the Post Office, the cash deposit machine was well used, representing just under a quarter of all transactions by value. It took over £1 million in deposits during the pilot period and the average deposit amount was relatively high – perhaps suggesting that small businesses accounted for a high proportion of users, and hinting at the value of an automated solution where space is tight, yet demand is high, and businesses need to deposit money securely and quickly.

The new free ATM proved quick and easy to use for the majority of residents. It had a significant impact on people who withdrew cash regularly and who had been paying transaction fees several times a week. But some residents raised concerns about ATMs being a target for crime, and others pointed out that the ATM often ran out of cash. This is where ‘cashback without purchase’ stepped in. Cashback services offered through 5 retailers with PayPoint terminals, provided a good, free alternative, with retailers reporting increased footfall to shops and more spontaneous purchases. Cashback was more extensively used in Burslem than in any other location, with £203k of cashback given out in the six month period through PayPoint services. Although cashback was used more as a back-up or support for ATMs, with an average of 297 cashback transactions per week compared with around 3,000 ATM transactions across the various ATMs in the community, the cashback volumes are sufficiently high to show the value of the service.

Many people in Burslem told us that they use cash to budget, and the ability to withdraw cash in non-round amounts made a profound difference to many people. The average cashback withdrawal was just over £19 from Sonect cashback-with-app, and £26 from PayPoint cashback-without-purchase compared with around £70-£80 from

the ATMs, which may suggest it was popular with people who were using cash to budget. From the year-long PayPoint cashback trial (cashback without a purchase) 41% of all cashback withdrawals were a non-round amount (i.e. £5.78 rather than £10 or £20) which we consider an indicator that cashback was supporting more vulnerable customers. People also told us they were using cashback as an alternative to a pay-to-use ATM, which saved them £1.99.

Some local residents had been paying up to £10 a week in ATM transaction fees

The other cashback service, ‘click and collect’ through Sonect, was valued by retailers and people who lived outside the town centre – perhaps because consumers were guaranteed that their cash would be waiting for them, and retailers could be confident that they had the cash in their till. Our research suggests that many people thought it was a good idea, and those who used the service rated it highly and became repeat customers. Sonect’s own data shows repeat users were aged between 18 to 75, and amongst those users, that 79% preferred Sonect to other cash access channels. Through the pilot, Sonect usage grew significantly as more retailers signed up. By the end of the pilot, Sonect had 6 retailers signed up within Burslem, and were issuing an average of 147 cash withdrawals a week in total (so an average of 24 per retailer per week), with an average value of £19 which equated to just under £13k of total cash withdrawals over the pilot period. The benefit of an app-based form of cashback is that consumers can be confident that the money will be there when they come to pick it up, and retailers can be confident that they will not disappoint consumers. The downside is the challenge of using technology for less digitally capable or confident consumers.

Unfortunately, no small businesses signed up for the NoteMachine out of hours ‘bag drop’ service, so we were unable to test the value that this service could have brought to Burslem. Feedback from the community was that this was a very good idea, but the £10 charge per transaction was perceived as a barrier and there was not a lot of local awareness of the service. With many small businesses describing the need for out of hours services, we hope this model can be tested in the future. Our research suggested that awareness is key to any new service, so very active promotion of this service will be the key to unlocking its potential.

BURSLEM CASE STUDY



Supporting people in need

Early on in the pilot, the team from HSBC UK worked with us to create three videos on ‘managing your money’ – covering help with budgeting, online banking, fraud awareness and more.



HSBC UK then worked with local charity Number 11 to share the content with the local community. Number 11 supports vulnerable people in moving from crisis to stability – providing creative learning experiences designed to help people get back on their feet.

While the video content was felt to be very good by the local community leaders, it had limited impact when shown to people on its own. But it really began to have an impact when the Number 11 team integrated it into their wider support sessions. With the support of HSBC UK, Number 11 was able to use its trusted relationships and expertise to provide basic financial education – using a discussion-based approach that encouraged people to contribute confidently, as well as offering access to more personal support with money issues. Sessions were also available by appointment at Swan Bank Church, who alongside other partners helped to develop the content.



PILOT COMMUNITY

“
This feels like one of the most important developments in branch banking history. Cambuslang is a secondary town on the outskirts of Glasgow. You wouldn't normally associate it with something revolutionary!”
COMMUNITY LEAD,
CAMBUSLANG COMMUNITY COUNCIL

Cambuslang, South Lanarkshire

New services ‘ticked all the boxes’ – with the BankHub supporting vulnerable people and local businesses alike, and contributing to a real sense of community.



Cambuslang is a town about 6 miles south east of the centre of Glasgow. With a long history of coal mining, iron and steel making and engineering works, Cambuslang was the home of the Hoover Company between 1946 and 2005. Today, the reduced Clydebridge Steelworks and smaller manufacturing businesses continue, but most employment in the area comes from the distribution or service industries. Although a large town of over 28,000 people, for the past four years Cambuslang has had no bank branches following the closure of three in quick succession.

The town has a relatively high proportion of older people and faces multiple challenges: 40% of areas in Cambuslang East and 25% in Cambuslang West are in the bottom 20% of the Scottish Index of Multiple Deprivation. Despite its proximity to Glasgow, access to nearby services is time-consuming, especially for those without a car.

Cambuslang's cash needs

The Cambuslang Community Council is passionate about supporting the community through better access to cash and education. They applied for the pilot scheme to address two key issues: firstly, to support financially vulnerable people in accessing cash, and secondly, to enable small businesses to access and bank cash. They were clear that they needed a fixed, physical facility in the community rather than a van – and that it must be able to accept deposits from local businesses.

Did these services meet people's needs?

Our research showed definitively that the BankHub was the most successful intervention in Cambuslang. It quickly became an 'anchor unit' in the town centre, with local people gravitating here to meet their need to feel safe while doing their banking. Representatives from Cambuslang Community Council confirmed that the Hub had encouraged people to stay – and spend – in Cambuslang. Most people we spoke to as part of our research had withdrawn or deposited money at the BankHub at least weekly and in total, over £3.1 million in transactions went through the Hub during the pilot period.

Services provided in Cambuslang



**Banking Hub
(including face-to-face banking support)**



Cashback with and without a purchase



An ATM reverted to Free-to-Use



Faster deposits for small businesses

The importance of community

With satisfaction levels well above 90% across the board, people felt that the BankHub offered a private, safe space with a friendly service – and the presence of familiar brands gave them confidence. The community also felt the Hub was well located, safe, clean and offered an efficient service, in contrast to other facilities in town. Others said it enabled them to transact discreetly, with one resident saying that it allowed her to deposit small amounts to keep up with bills privately and without judgement.

The Hub brought social benefits too. Some people told us that it had encouraged them to deposit cash more often, which had stopped them going overdrawn.

This was particularly important to households who took a high proportion of their income in cash, such as taxi drivers and window cleaners. The Hub also helped people with caring responsibilities, who saved at least an hour by banking locally – or more for those with mobility issues or who don't drive. And we heard anecdotally that the Hub had encouraged older people to shop independently rather than relying on a family member to pick things up for them. Some would go to the Hub and then go on to a café or the shops in town – increasing their sense of independence and reducing isolation.

For the most part, users of the Hub were not people who had 'switched' from the Post Office.

We asked people what they would have done before the Hub opened to access or deposit cash. 54% told us they would have travelled to a bank branch outside town at least once a month before the Hub opened. 59% said they would have used an ATM at least once a month instead. Many residents said they definitely would not have used other facilities, with 52% saying they would not have used the Post Office and 36% that they never use online or telephone banking. This lack of switching suggests that the Hub met needs that were not being met locally before the pilot.

As a new service, there were some challenges in communicating what the Hub could and could not offer, with some residents believing they would only visit the Hub on the day 'their bank' was present.

Social media stepped in here, with local people responding to questions and clarifying misunderstandings on the Facebook community page. However, there is clearly something to be learned from Cambuslang about how best to communicate what a Hub can offer.





Neither the free ATM nor cashback proved as popular as the Hub, which may reflect the needs and concerns of older people, or just that with a ‘hero’ service like the Hub, other options became less important.

Retailers told us that demand for cashback with or without purchase was very low – in fact, over the period of the pilot, although four shops signed up for the service, consumers made just two transactions, totalling £60. This may be because in some cases it was offered in ‘unusual’ locations (such as pharmacies, which people didn’t naturally associate with cash), though it is also possible that the BankHub was meeting the need for cashback and people simply had no need for it – which was the feedback consumers and retailers alike gave us.

There was very low awareness of the out-of-hours deposit facilities among retailers, so we didn’t robustly test the value of these services.

“

This is not a nice to have. How could anyone say this service is not needed?”

COMMUNITY LEAD,
CAMBUSLANG COMMUNITY
COUNCIL



CAMBUSLANG CASE STUDY

Paul Culverwell runs the Post Office counter service in the Cambuslang BankHub

– supported by his wife Jan and son Richard, who run the service in the Rochford Hub. Here, Paul reflects role in the Hub.



“It’s been really, really enjoyable being part of this. Everyone is very welcome here. This is a very close community and the BankHub is a partnership between the community, the Post Office and the community bankers. We’ve had a fabulous relationship from the outset.

I’ve got to know a number of regular customers and am meeting new ones every day as more people discover the Hub. I’d like to think I’m very approachable and it feels as though I’ve known people in this community for a very long time. Old, young, professional, retired – all sorts of people.

A number of businesses have started coming into the Hub for their change and to do their banking, so I know a lot of business people in the area too. I can't even go to Morrisons anymore without getting recognised!

The BankHub has a very different feel from a bank branch. People can feel a bit intimidated by a bank branch because of the surroundings. The Hub is a bit like a bank branch with a personality. You can offer a different level of service. People like the Hub because they can come in and say "I've got a stupid question" or "I've had this text message and I don't know what to do about it".

I can point them in the direction of the community bankers who can help them, which you can't do in a normal Post Office. The community bankers can sit down with them and explain things properly. People like it because it's one point of contact they know and trust. They like the privacy and security. And the professionalism.

We've had a lot of people coming in recently who wanted to buy a second hand car and needed their cash withdrawal limit increasing. The community banker can do this for them. Before, they wouldn't want to phone a call centre so they'd have come into the Post Office every day and withdrawn £250 till they had enough to buy the car. Or they'd have travelled 20 or 30 miles to withdraw the cash.

Without a shadow of a doubt, it's vulnerable customers who have benefited the most. The person who comes in to withdraw £1.19 because it's all they have left.

These people don't have the option of contactless payments or overdrafts. They have basic bank accounts, so they need cash. This is what I've been having to explain to friends and family – the importance of cash. The Hub wasn't a pie in the sky idea. It really had value. We're talking about people who are living on yellow sticker food. Before the Hub, some of these people would spend a fiver or a tenner to travel to a bank branch. A lot of these are younger people.

The older people who use the Hub say that before, they'd travel on the bus to a bank branch and withdraw £500 or £1,000, which didn't feel very safe. Now, they can withdraw cash little and often and they can budget better.

But it's not just about that. It's brought people back to the main street. One pub owner now travels six miles into Cambuslang to do their banking. They can park nearby and they don't have to walk for miles down the street carrying cash. Local businesses have said their takings have gone up. A lot of them have said to me "I'm so glad you're here".

“

The Hub is a bit like a bank branch with a personality. You can offer a different level of service.”

PAUL CULVERWELL



PILOT COMMUNITY

“

We see people with next to nothing, but there is still a stigma about using coppers.”

COMMUNITY LEAD

Denny, Falkirk

The Post Office remained the key institution in this small town in central Scotland – though with safety in mind, cashback without purchase was a welcome addition.



Denny is a small town of about 8,000 people located between Edinburgh and Glasgow. Stirling is 7 miles to the north, Falkirk is 5 miles to the east and Cumbernauld is 6 miles to the south west. Denny supports the surrounding villages, but attracts few visitors. Until the early 1980s, Denny was a centre for heavy industry, including several iron foundries, brickworks, a coal mine and paper mills. Denny is currently going through a £7.6 million regeneration scheme in the town centre.

Denny's cash needs

Having lost many of its cash access facilities, Denny was looking to improve the cash deposit and withdrawal facilities for small retailers and consumers, and also wanted to support the community to be able to budget and access cash online.

Did these services meet Denny's needs?

Since the closure of the town's bank branches, the Post Office had effectively become the community's bank for local residents and small businesses. As a result, some users said it could be very busy, with 30-minute queues on pension and benefit days. Many people preferred the safety and reliability of the Post Office to the town's ATMs – which some people saw as unreliable and prone to scams.

During the pilot, the Post Office continued to be the main focal point of cash access, though its refurbishment seemed to have little impact on people's perceptions of the service. In an average month, the Post Office served almost 3,400 consumers and over 200 businesses, and conducted banking transactions worth almost £700k.

Services provided in Denny



A refurbished Post Office



Online education sessions, including fraud awareness



Coin recycling through Shrap offered in 9 retailers



OneBanks kiosk in the Co-op



Cashback without a purchase

These services supplemented the existing free-to-use ATMs available in the town

With the Post Office the key institution in town, the new services were effectively a supplement, offering people more choice and saving them time. Cashback without purchase proved effective for people who live on the outskirts of town, with many people saying that it saved them the journey into Denny to use the Post Office or free ATMs. People who felt nervous about using an ATM felt that cashback provided welcome comfort and security.

The bright pink OneBanks kiosk in the local Co-op attracted a lot of interest from people in Denny. When OneBanks partnered with the pilot programme, they saw it as a valuable opportunity to test their concept and develop new services – hiring 6 local people to staff the kiosk to give it a genuine community feel and generating interest through a local marketing campaign.

People who used OneBanks were very positive about the experience. Many felt it was the closest substitute for what the community had lost when its bank branches closed – offering a well-signposted, secure environment that was quicker to use than the local Post Office. Usage, however, remained low. An average of 9 people used the service each day and 173 transactions were completed per month on average.

“

Before being able to get cashback, I'd use the free ATM in town or head up to my bank in Falkirk. It's quite a way away and I need to get the bus, and when I go up there, I tend to do all my food shopping there too”

CASHBACK USER

“

The ATMs have been involved in scams but it's not just that. Cold winter's night, if you're taking £200 out, you're not sure who's watching you. Whereas you can come into the Post Office, it's well lit, more private – I think people feel safer”

POST OFFICE USER

Deposits were the most popular service, accounting for 62% of transactions. 80% of deposits were from local businesses.

Since the OneBanks service is relatively technology-rich, some users felt that it was better suited to people with a basic level of digital skill and confidence. To address this challenge, the staff in the OneBanks kiosk spent time encouraging people to consider online banking – helping some people register for the first time. OneBanks also tested a solution for people who wanted to use the kiosk, but who didn't want to use online banking. It was early days for this new service, and it will be interesting to see how it develops in the future.

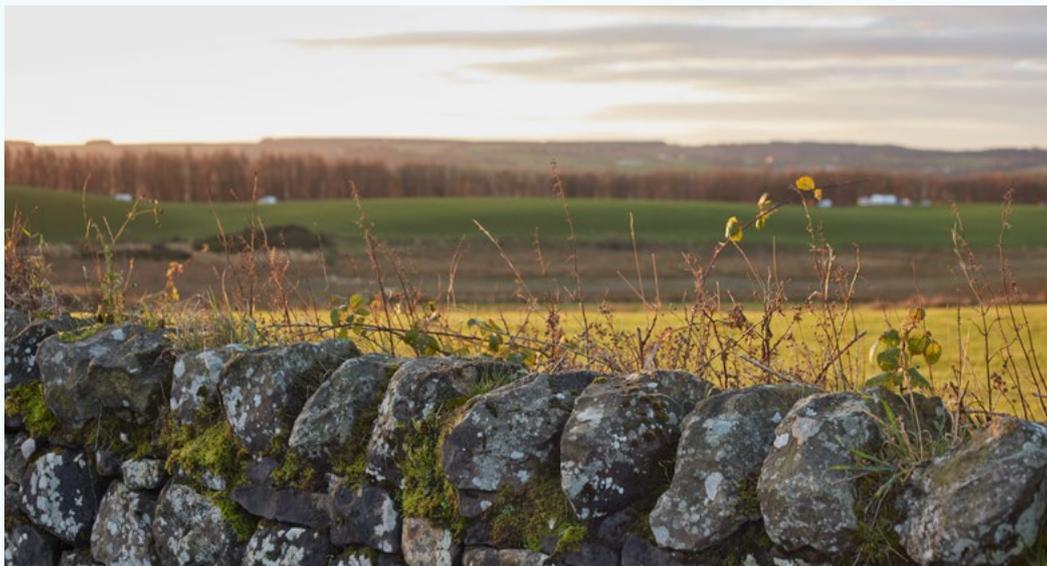
Although use of Shrap in Denny was less extensive than in Millisle or Rochford, the company used the Denny pilot as an opportunity to work with local charities including Denny Community Support Group, Strathcarron Hospice and the RNLI.

The local community and TSB ran three online financial education sessions, which received very low take-up. The community feedback was that the people who needed them really weren't “digitally savvy” enough to dial into them – and that they would rather have face-to-face support.

DENNY CASE STUDY

Becky lives in a small village on the outskirts of Denny.

While she only uses cash for ad hoc purchases when required by some of the smaller retailers, she makes deposits and withdrawals regularly for her elderly mother-in-law who was shielding throughout the pandemic.



Before the pilot interventions were launched, she would typically have travelled to her bank branch in Falkirk to access cash, and then combine this with doing her weekly food shop there too. She might occasionally travel into Denny to use the Free ATM, but said this felt ATMs were much less safe. The closure of bank branches in Denny had left her feeling frustrated that she now had to spend more time and money accessing what she sees as a basic service.

While she still has to travel into Denny to make deposits, Cashback without Purchase has made accessing cash fit much better with her normal schedule as she can access cash much closer to home via her local shop. This says this feels safe and secure as she knows the owner and the other local residents well.



PILOT COMMUNITY

“

People wanted a one stop shop. To walk in like it's a bank branch. To do their banking like they'd done it before”

COMMUNITY LEAD

Hay-on-Wye, Powys

Cashback was a useful supplement to the cash infrastructure in Wales's Town of Books – although pilot services had less impact here than in other communities.



Hay-on-Wye lies on the Welsh side of the Welsh/English border in the county of Powys. Although fewer than 2,000 people live in Hay, the town is world famous for its second-hand and antiquarian bookshops, which attract visitors from all over the world. Each summer, tens of thousands of visitors arrive in town for its annual Literary Festival, and more than 40 stalls gather in the square every Thursday for Hay Market Day.

Hay is a thriving community, but it also faces challenges. The local population comes from a wide variety of backgrounds and, as a rural area with an older population, a high proportion of people don't use online banking. Hay has no bank. Before the pilot it had one pay-to-use ATM, cashback was limited, business owners tended to travel to Hereford to deposit cash, and there was no financial advice or support available in the town. International visitors struggled to access cash because their debit cards were not accepted at the Post Office.

Hay-on-Wye's cash needs

Given the large number of independent retailers and its vibrant tourist economy, it is vital that businesses in Hay can withdraw and deposit cash. The Festival creates additional challenges, bringing in large numbers of people who need to access a very limited cash infrastructure for a short period of time.

The local leaders of the Hay pilot wanted to explore a wide range of solutions to meet the town's needs, including a traditional cash access/deposit infrastructure, better ways of supporting local retailers in their cash handling, and encourage greater digital inclusion.

Services provided in Hay-on-Wye



A refurbished Post Office
(planned, but unfortunately not delivered during the pilot period)



A free-to-use ATM



Community bankers
(without a counter service)
– with four banks providing face-to-face support every Thursday in the Parish Hall



Cashback with and without a purchase

Did these services meet people's needs?

As a heavily cash-dependent community with many visitors, Hay's experience of the pilot was affected significantly by the Covid-19 pandemic – perhaps more so than the other pilot communities. There was no Literary Festival in 2021 and the demand for cash in the town has not yet returned to pre-pandemic levels. With so few visitors from the US and east Asia, it was not possible to test whether cashback solved the problem of international debit cards not being accepted in the Post Office.

Having said that, visitors returned to Hay over the busy summer period and the enhanced cash infrastructure held up well. Cashback proved a valuable addition to the free ATM in the centre of town, with eight retailers signing up, and between them supporting around 32 transactions per month, and almost £8,000 in total over the period of the pilot. However, retailers reported very different experiences of providing cashback, which seem to have been driven by the amount of cash they tend to handle, their location and the nature of their business. A bike shop, for example, did not benefit from passing trade and people didn't associate it with access to cash, whereas a centrally located deli and café had the opposite experience. Cashback also provided resilience when the one ATM ran out of cash and needed refilling, when otherwise trade would have been challenging. On one such busy market day, one retailer provided more than £1,000 in cashback.

We did hear anecdotally that some people were reluctant to go into an unfamiliar shop and ask for cashback, feeling a little awkward about it and not wanting to inconvenience the retailer. We also observed that people tended to use cashback to withdraw smaller amounts when they needed to 'top up' to make a specific purchase. The average cashback withdrawal in Hay was just under £40.

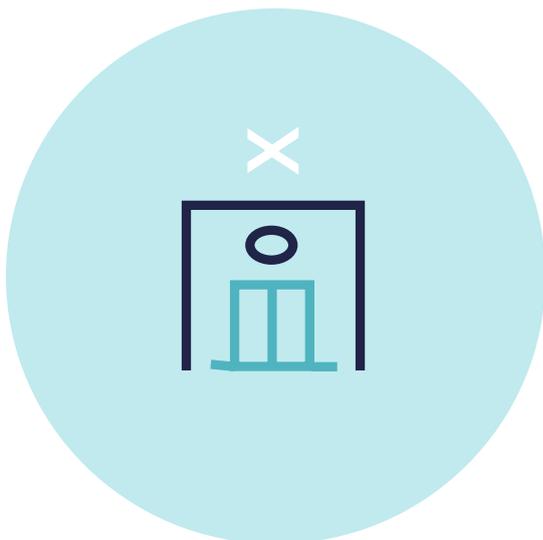


As in other communities, people tended to see cashback as an 'informal' way of accessing cash, almost negotiating upper and lower limits with the retailer to withdraw an amount that was mutually convenient. And as our analysis on page 75 shows, cashback simply could not be a substitute for more 'formal' services like the Post Office.

In Hay, we set out to test whether the Community Banker service would meet people's needs if it were located separately from a counter service. Finding a suitable building for the Hub proved challenging, but the Hub was eventually based in the Parish Hall on a Thursday, with the major banks taking turns to provide a Community Banker. They provided online and digital education, basic transactional support, and were also able to handle or refer any complex queries that customers had. However, despite a lot of promotion by the banks, particularly Barclays, and digital awareness sessions being offered, there wasn't a lot of use of this service, with an average of 6 people using it each week.

Our plans to support Hay included the refurbishment of the Post Office to provide more space and privacy, plus the addition of a cash deposit machine, to allow small businesses to deposit cash without queuing. It was disappointing that the Post Office refurbishment was not able to go ahead as planned following the retirement of the Postmaster. Both the project team and the Community Leads had felt this had the potential to meet a wide variety of cash needs in Hay.

The lack of a strong Post Office service for much of the pilot had more of an impact on deposits than withdrawals. While some businesses found that offering cashback reduced the need for them to deposit cash as frequently as they had before, others adapted by paying their staff in cash. And while there are still a handful of businesses in Hay which only accept cash, this may become harder to sustain without appropriate deposit facilities readily available in the community. This illustrates that Post Office provision is a critical part of the cash infrastructure, and when it's not available, the community will struggle.



“

The pilot has been helpful as this community is not ready to go cashless.”

CASHBACK USER

The Community Leads drew a couple of conclusions from this work. One was that people in Hay had really wanted a ‘one stop shop’ to meet their cash needs. Their hypothesis is that someone would use a counter to withdraw and/or deposit cash, and while they were there, would ask a question of the community banker. As well as being separate from the Post Office, the facility provided was out of the main town centre, making it feel disconnected. Their second conclusion was that people really wanted support from their own bank or a trusted third party, not that of another bank, even when that support was open to everyone. We believe that these were the main reasons why Barclays had very low take up of their financial capability support.



PILOT COMMUNITY

“

Lulworth is a remote area in rural Dorset and, before the scheme, basic Post Office and ATM services were not easily accessible to our community. This scheme has been an absolute godsend for local families, giving them the facilities they require right on their doorstep.”

COMMUNITY LEAD

Lulworth Camp, Dorset

A new ATM was well received by the community living on this army barracks in rural Dorset – resolving many people’s access to cash issues.



Lulworth Camp is in a remote part of Dorset, close to the spectacular stretch of Jurassic coastline that is a UNESCO world heritage site. The Camp is a Ministry of Defence army barracks – home to 2,600 troops, many of whom rely on public transport, and 1,500 families.

Lulworth Camp's cash needs

The Camp has no onsite banking or ATM facilities, so access to cash is a real issue for the troops and families who live there. The Ministry of Defence applied to be part of the programme because Lulworth has a high proportion of young families who rely on cash to budget, and on public transport. Getting to local towns with cash facilities can take up to an hour and is difficult for many residents – and impossible for some. We chose Lulworth Camp as a pilot community because it gave us a unique opportunity to explore access to cash issues in a self-contained yet relatively isolated community that is heavily reliant on cash.

Did these services meet people's needs?

The introduction of an ATM onto the Camp was met with real positivity. It gave families and staff free access to cash without having to drive or get public transport to neighbouring villages. The Post Office in Lulworth itself had been closed for several months, and there are no other local ATMs – which meant that people were travelling 20 minutes each way to Wareham.

The Post Office mobile service enabled families and staff to do basic banking one afternoon a week without travelling to local towns. This service has only been up and running for a few months, but initial uptake is strong and feedback is positive as it allows resident people to deposit money and pay bills locally and conveniently.

Services provided in Lulworth Camp



A mobile Post Office visiting once a week



A free-to-use ATM



PILOT COMMUNITY

“

Older people in particular really valued being able to get cash in a safe place, from a familiar person – like in the wee cafés. They liked the informality. It was discreet and less ‘clinical’”

COMMUNITY LEAD

Millisle, Northern Ireland

The Post Office remained the key institution in this close-knit seaside community – though cashback and coin recycling proved useful and popular.



Millisle is a coastal village of about 3,500 people. Located on the picturesque Ards Peninsula in County Down, the village almost doubles in size during the summer months as thousands of tourists arrive at the local holiday parks. Although Millisle has a thriving seasonal economy, the village is one of the most deprived in Northern Ireland, with many people receiving benefits. Millisle is a relatively self-contained community, with a high proportion of older people who tend to rely on cash and who don't often travel outside the community.

Millisle's cash needs

With high cash dependency among residents and tourists, the town's working group wanted to explore how to provide better access to cash and the benefits this could bring to the wider community. They set out to encourage people to transact more, and to introduce options alongside the Post Office where this didn't meet someone's needs.

Did these services meet people's needs?

Before the pilot, most residents had relied on the Post Office for their cash transactions. This continued, with banking services accounting for about 60% of transactions in the Post Office. Many withdrawals were for small amounts, with 62% of all withdrawals for amounts under £20, which suggests that many residents preferred to use cash to budget by just taking out what they needed for that day or for a particular shopping trip. An average of 190 withdrawals were made from the Millisle Post Office each week during the pilot.

In terms of deposits, some retailers were frustrated that they couldn't deposit part-filled coin bags at the Post Office, whereas they could at the bag drop facility in the Euro Spar. Despite this, deposits at the

Services provided in Millisle



A refurbished Post Office



Cashback with and without a purchase through 6 retailers



Coin recycling through Shrap offered in 22 retailers



A free-to-use ATM on the high street



Education sessions: support to get online – provided by the local community

Post Office accounted for almost £900,000 across the pilot period, with over 2,300 individual deposits being made – an average of 63 deposits per week.

Although people valued the free ATMs in the town centre and at the nearby Euro Spar, particularly for out-of-hours withdrawals, some more vulnerable customers saw them as less secure than the Post Office or cashback. As we saw in other communities, the ATM was used for larger value transactions – £63 average in Millisle¹³.

Although perceptions of cashback varied widely, our research suggests that on balance, it was a valuable addition to Millisle’s cash infrastructure – particularly during the summer months when the population of the village almost doubles. 6 shops signed up to offer cashback and supported on average 20 transactions a month between them. Cashback was generally used for lower value withdrawals than through an ATM, with an average withdrawal of £16.61. Cashback volumes were high throughout the pilot period, not just during the summer months, as the community gained confidence in cashback as a way of withdrawing money, and particularly if they wanted to withdraw lower sums than the standard £20 often dispensed by the ATM.

Cashback seems to have worked particularly well for older and more vulnerable members of the community, who felt comfortable in the charity shop or café, and who valued the familiarity of the experience. In contrast to people in other communities who felt reassured by the ‘professional

“

I wouldn’t be interested in Cashback. The Post Office is my usual routine. I pay my bills through the Post Office too”

LOCAL RESIDENT

“

It’s also the distance. Not everyone has the transport available to them to go elsewhere for cash. There’s also quite a lot of people who have lived here all their lives and want to be able to access everything within the village.”

LOCAL RESIDENT

feeling’ of a Hub, these users valued the informality of cashback and the ability to “pop it in your purse” discreetly.

Retailers too were generally positive about offering the service. It had enabled one to set up their first card reader, which had been good for business, while others told us that it had given them a way to recycle cash and reduce the frequency of deposits.

In spite of being a new service and an unfamiliar name, Shrap was widely seen as an interesting idea in Millisle, and take-up of the service was stronger here than in other, larger communities.

For businesses to realise the benefits of the service, their customers must be willing to accept their change on a Shrap card or on the app. As we had expected, this presented certain challenges – with some people initially resistant to a new concept.

In spite of these challenges, 22 businesses did sign up to offer Shrap, and volumes of use grew steadily through the pilot. Shrap did allow people to take their change in small amounts – the average transaction was £2.75, and by the end of the pilot, consumers were using Shrap over 2,000 transactions a month in Millisle.

Shrap was seen as great for kids, who could use their card at the tuckshop in the Community Hub. While use of Shrap was relatively low, one retailer told us they had handed out 100 Shrap cards during the first few weeks. Shrap showed the potential for local coin recycling in this close-knit community, and for reducing the burden of handling small change for some retailers.

¹³ This is slightly lower than the national average which is £75-£80

MILLISLE CASE STUDY

William is 72 and has lived in Millisle for 12 years.

He uses cash for most things and likes to take out small amounts regularly to limit his spending; he worries if he were to use card it would be ‘too easy’ to spend and he would easily get himself into debt.



He also prefers to do all his shopping in the town, and finds **many of the shops and pubs still require cash too.**

His nearest bank branch is in Newtownards (over an hour round trip on the bus), which is increasingly difficult to manage now that he’s a bit older, so he **relies on the Post Office to access cash**, which feels familiar, secure, and is also where he pays his bills. He prefers not to use the one free to use ATM in Millisle as it often only has £20 notes available, and he usually wants to withdraw less than that.

Until the pilot the Post Office was the only option for withdrawing his cash for free, but **over the past year has started to use the cashback service offered through local shops** when the Post Office is busy. He feels comfortable asking to withdraw cash when he’s also shopping locally, particularly in the café or charity shop where he has a good relationship with the staff.



PILOT COMMUNITY

“

With the BankHub pilot set to continue, we're thoughtful about how to 'spread the magic dust' to attract even more people into Rochford.”

COMMUNITY LEAD

Rochford, Essex

A Banking Hub helped revitalise the local economy in this historic market town.



Rochford is a market town about 43 miles from central London and 21 miles from Chelmsford, the county town of Essex. Rochford is home to about 20,000 people, with a high proportion of older people who rely on cash. The weekly market attracts many people into town. Many of the surrounding areas, including Hockley, have limited cash access facilities. Although Rochford is not a deprived community, like many others it is grappling with the challenge of maintaining a vibrant local economy.

Rochford's cash needs

Rochford is less dependent on cash for day-to-day transactions and budgeting than other pilot communities, and saw greater take-up of digital payments during the pandemic. However, since the last bank branch closed, Rochford has been concerned about the viability of its market and wanted to keep its town centre vibrant and its retailers supported. Rochford's Town Team applied to be part of the pilots primarily to support its ageing population, as well as to support small businesses in the local community who were struggling to deposit cash locally.

Did these services meet Rochford's needs?

Our research showed that the BankHub was the most widely recognised and well-used facility introduced during the pilot, serving an average of 2,150 customers each month and processing an average 2,162 transactions. During the pilot period, the Hub provided approximately £760k worth of cash withdrawals and processed £2.27m in deposits. The Hub met people's core cash access needs as well as their need for basic banking advice – with many people opting to use the Hub rather than travel to bank branches in Rayleigh or Southend.

Services provided in Rochford



Banking Hub
(including face-to-face banking support)



An additional free ATM
inside the BankHub



Coin recycling
through Shrap offered
in 12 retailers



Cashback with and
without a purchase
in 7 retailers

“

I would normally go to Rayleigh to pay in cheques, which is about 6 miles and then you have to pay for parking, which is a bit of a pain if you're only paying in a small cheque.”

HUB USER

Older people in particular valued the face-to-face support available in the Hub, having missed the face-to-face advice and support available in a bank branch. People found Hub staff friendly and helpful and were reassured by the familiar Post Office branding. Many people said they preferred to use the free ATM at the Hub rather than withdraw cash from the machine outside the supermarket. The new free-to-use ATM was also popular, and well used.

User satisfaction with the Hub was consistently over 90% in terms of privacy, trust and support

Small businesses too felt the Hub was more secure than the main Post Office and that it was quicker to transact there. Many were grateful to not have to walk through a convenience store and stand in a queue with large amounts of cash. Unfortunately, the automated cash deposit machine in the Hub took some time to get up and running. By the time it did, many retailers had become accustomed to depositing cash over the counter and may have seen little reason to use the machine, especially when there was no queue at the counter. During the pilots, the total value of deposits made through the cash deposit machine was around £250k compared with well over £1 million in the Burslem Post Office – a busy local Post Office where there were more likely to be queues for the counter.

Cashback also played a role in supporting cash access in Rochford, with 7 retailers signing up, supporting an average of 24 cashback withdrawals a month between them. Retailers could see the potential for it to lead to increased footfall in the town. They also felt it was easy to provide, with little investment needed. Take-up remained at these relatively low levels throughout the pilots, perhaps because the BankHub was meeting people's cash access needs so visibly.

My wife runs a small business, and we use the BankHub to pay in cash at least weekly. It's really convenient having this here as before we would need to go into Rayleigh, pay for parking, whereas now we can walk straight in. It's good for the community."

BANKHUB USER

One retailer thought it may take people time for people to adapt to cashback, telling us that "demand for cashback is slowly getting there, people don't like change, so it's taking a while to get into the swing of things." However, the average value of a cashback withdrawal in Rochford was £18.84, which is significantly lower than the average value from an ATM – and lower than the £20 which ATMs dispense as the lowest sum available. This suggests that cashback supported those on lower incomes, who wanted to withdraw a smaller amount than they could get from an ATM.

Overall, the Community Leaders in Rochford felt that the BankHub had helped them achieve what they had set out to do. By giving people visible access to cash and basic banking services under one roof, they felt it had restored people's confidence in coming into the town. They observed that being able to physically withdraw cash centrally made people more likely to spend at the market. For all these reasons, they are now considering how to promote the Hub more widely in the area.

ROCHFORD CASE STUDY

Anita is 65 and lives near Rochford town centre with her husband, who has dementia.

Before the pandemic she paid for a lot of things using cash, but now mostly uses card since being advised this was safer.



However, she still needs to cash the occasional cheque or seek basic banking advice from time to time. Before the BankHub was launched she would travel to her nearest bank branch in Rayleigh, which would take her over an hour in total, require her to pay for parking, and also find someone who could care for her husband while she was out.

Having the BankHub in the town centre means she can access these services more quickly and easily, and she has also booked appointments with a member of staff for her and her husband to get some basic financial advice.

“

My most memorable experience was being able to help a customer called Tommy. Tommy is a vulnerable customer, he suffered a stroke a few years ago but is getting better. He came to see me every Tuesday for 3 weeks to help him with his account, new card and pin. He couldn't thank me enough. I will never forget Tommy.”

TANYA, HUB BANKER, ROCHFORD

SECTION 6

Our findings

Objective of the pilots:

The results of the pilots will be used to inform industry and regulators so that cash can remain a viable method of payment for consumers across the UK – and so that small businesses can continue to accept and bank cash.

To draw meaningful conclusions from the pilots we needed to find a way to assess their successes and failures.

Our pilots were planned in 2020, when most high street stores were forced to close, and when online shopping rose to its highest ever levels. When the pilots opened their doors in early 2021, they coincided with the opening of the wider economy, but in a world that had changed. Cash use levels had dropped, and shopping habits had changed, perhaps forever. Therefore, a classic analysis looking at what happened 'before and after' the pilot services were introduced was unlikely to reveal much of value.

Instead, we chose to evaluate the pilots using a wide range of quantitative and qualitative measures.

We tracked the usage of all pilot solutions, and (where possible) explored who used them and why. We conducted extensive interviews with the users of the services, at the start and at the end of the pilot, by survey and interview, to understand why they liked (or didn't like) the services and what their alternative would have been if the service had not been there (the 'counterfactual'). We talked to the providers of the pilot services to gain their insights and we spoke extensively to the small businesses who were often facilitating pilot services (such as cashback, or small change recycling through Shrap), or who were customers of the services themselves (particularly deposit services).

We examined customer usage of ‘existing’ services to see where the volume from pilot services came from – for example, were users of the Banking Hubs previous users of the other Post Office counter, or the local out-of-town bank branches? We visited the pilot services, often arranging mystery shopping to understand the customer experience, and finally, we got extensive insight from the local leaders of the pilots, who revealed what difference the pilot services made, or didn’t make, to the local economy. In total, we conducted 68 detailed interviews with consumers and 77 with small businesses and received over 1,000 individual responses in each of two surveys conducted across the communities.

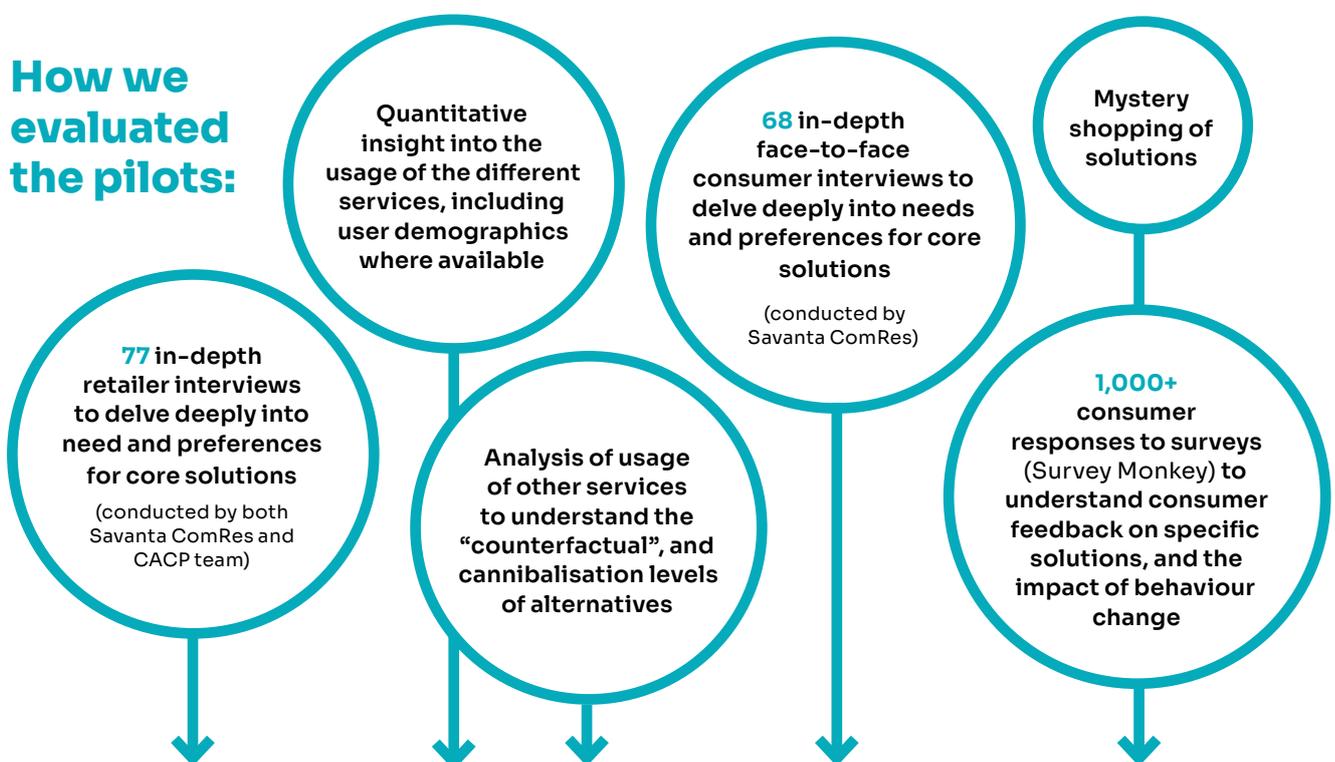
Some of our insights were in line with our expectations – for example, it was no great surprise to find that the people most dependent on cash were least comfortable with technology-rich solutions.

Some insights met our hopes, namely that keeping cash local would help increase local footfall and spending in the pilot locations. However, some surprised us, and not everything worked.

Cashback, for example, proved very helpful in some places, particularly smaller towns and villages and as a back-up to a single ATM, or to cope with seasonal fluctuations in population as a result of tourism. However, it was less useful in larger locations and was not seen as an effective substitute for ATM services. We had expected automated deposit machines to be a huge success, but they were used far less than we had expected, and we learned about what would have to change for them to meet the needs of small businesses. Education sessions too had very mixed results – only really adding value when provided in the context of other support, by well-established local providers.

With the Government poised to legislate for cash access, and the major banks and leading consumer groups developing a plan to protect cash access, these insights can make a timely contribution. Understanding what works where (and for who) is critical to providing the services that consumers, small businesses and communities really need.

How we evaluated the pilots:



Our conclusions

Our key findings

- 1.** Pilot interventions were most successful when they were tailored to the needs of a community – and run in partnership with it.
- 2.** A key impact of the pilot interventions has been to save money for people on low incomes.
- 3.** Of all the solutions piloted, BankHubs met the widest range of needs.
- 4.** Cashback has real value – particularly as a source of resilience and to support smaller communities.
- 5.** The environment in which a service is provided can be as important as the service itself, and critical to its success.
- 6.** Many cash dependent people are not as comfortable with technology as the general population, so technology rich solutions risked meeting fewer needs.
- 7.** Supporting customers to manage their money better and to use digital services can work well, but only if done in a customer-centric way.
- 8.** Small businesses need local, reliable deposit services. They also welcome the benefit that good access to cash can bring in terms of local regeneration and increased footfall.



1. Pilot interventions were most successful when they were tailored to the needs of a community – and run in partnership with it.

In the debate around cash access, it is not hard to find voices who say “oh, the answer is X”, where X can be bank branches, cashback, ATMs or another solution. The success of the Banking Hubs has already led many people to call for ‘hundreds of new Banking Hubs’. While Banking Hubs and other solutions have been successful, we would urge a note of caution.

What the pilots showed conclusively is that there is no ‘silver bullet’ that meets all needs and would work well in every community. Different solutions worked differently in different locations because their needs were different. Interventions also had very different effects when they were designed and run in partnership with the community rather than designed centrally with community engaged. Just because a solution worked in one location doesn’t mean it will work elsewhere, particularly if a cookie-cutter approach is used to develop new services.

Not every community needs, wants or could use an expensive face-to-face service – as Botton Village showed us with their new Post Office counter. New concepts such as cashback and coin recycling will have a place, and can actually serve to improve cash access for the more financially vulnerable, but will not replace the need for more traditional services such as ATMs. The needs of communities depend on several factors – including their population size and number of cash-accepting retailers, population demographics, the type of community (for example, holiday destination or commuter town), deprivation and income levels, how close they are to other services, how good local mobile connections and broadband are, and the availability of transport.

A core conclusion of this work is that we need to have a wide selection of solutions available to deploy according to the different needs of communities. Another is that it is critical to work with a community early in the process, both to understand the community’s needs and to deploy something that actually works. There is no single ‘answer’ to meeting cash needs, and close community working is key to identifying the right services to deploy, reducing the risk of wasted money. However, not everything needs to be done from scratch, every time. As a result of the pilots we now have considerable insight about the needs that different solutions can meet, which should prove useful in the future.

Cash users are not a homogeneous group: they have a wide variety of characteristics and their needs and behaviour are different

People who use and depend on cash are not a homogeneous group. These pilots did not set out to dive deeply into the different types of cash need, not least because work on this has already been done. But our research did identify different groups of cash users who have very different needs. For example, some people are dependent on cash because it’s effective to budget, where managing on a tight income is their main challenge. They may not be averse to technology, but find that digital solutions don’t work well for them as they need to withdraw less than the £20 usually dispensed by an ATM, and need to deposit money regularly as they get paid. Their needs are very different from less digitally confident users whose need for cash may be more about their inability to travel, and discomfort and distrust of technology. And those paid in cash (including taxi drivers, cleaners, market traders) may prefer digital, but need to find a way of managing cash because they have no choice. These people live in every community – and each community will have a different mix of cash users, of different ages and with different circumstances.

Different communities have different needs

Just as consumers have different needs, so do communities. Before deciding which solutions to pilot in each location, we spent time with the leaders of each community, holding workshops with local residents, walking around (where possible given Covid restrictions) and conducting local surveys. The needs of each community were clearly very different.

In two pilot communities, Millisle and Hay-on-Wye, tourism and seasonal demand led to months of the year when the cash infrastructure struggled to cope. But neither community had a year-round need for expanded services. In addition both communities were relatively geographically distant from other cash services and could see significant benefit in local cash recycling.

In Botton Village and Burslem, high levels of vulnerability among residents made support for basic financial services and managing money a key community requirement. And in Cambuslang and Rochford, retaining a viable and vibrant local economy was an important driver of need, with the lack of bank branches having led local businesses to close as customers went elsewhere to get cash and then do their shopping, and with a subsequent risk of further closures and shops going cashless.

The geographical footprint of each location was also key in determining both what to provide and in assessing what worked. In Rochford, the existing free ATM wasn't too far from the town centre, but it was out of the way and wasn't where many residents walked. In Cambuslang, the existing Post Office counter was at one end of a spread-out high street, making it impractical for many customers to use it before doing their shopping. Therefore, locating the Banking Hubs at the centre of Main Street (in Cambuslang) and just off the square (in Rochford) increased the value of the service significantly.



We often hear about community engagement, and what that usually means is that we are told in advance of the announcement, and the service has been developed in a head office somewhere. But here, this was a true partnership. We were at the table from the start, and what we created was done together.”

COMMUNITY LEAD

The proximity of each pilot community to other local services was also considered in deciding which services to pilot. In assessing the need for the two Banking Hubs in Rochford and Cambuslang we worked with the community leads to understand the travel time and availability of public transport to alternative services offering face-to-face support and deposits, and took the view that there would be real value in testing a more local Banking Hub service.

Two very small communities, Botton Village and Lulworth Camp, told us that their residents simply couldn't go to a nearby village to get cash because many didn't, or couldn't, drive, and the locations were well outside walking distance. Public transport was not a reliable option in either location. Both communities are also heavily reliant on cash (in Botton's case because most residents didn't have bank accounts) so the lack of cash access risked the loss of people's independence. Both communities would usually be too small to qualify for a free-to-use ATM. In both cases, the ATM was transformative to the lives of residents.

Partnership working was critical to success, and often saved money

In establishing the Banking Hubs in both Rochford and Cambuslang, the concept was developed jointly between the banks, the communities and the Post Office, facilitated by the central team. Community leads in both locations identified the best site, within the budget identified. Surveys of local residents told us whether booked appointments or drop-ins were best (the answer for both towns was ‘drop-ins’) and what the service needed to look and feel like. The same surveys showed that there was no initial demand for services in the Banking Hubs outside standard opening hours – 9am to 5pm, Monday to Friday. This enabled us to keep opening hours limited, and keep costs down. The partnership with both communities helped speed up planning permission, and to raise awareness of the service. It also allowed us find local contractors to do building work at lower costs than otherwise, supporting the local economy.

The support and education services we provided were another example of the value of partnership working. Many communities were keen to support residents who had money worries or who needed help managing their money. We tried a range of techniques, all of which had heavy community ‘engagement’, including tailored videos in Burslem, face-to-face support on money management in Botton Village, and drop-in workshops in Hay-on-Wye. What was clear in these is that the most successful were those which were introduced to residents by the local community, and explicitly tailored to their needs. This is explored on page 82.

We are not suggesting that everything in the future needs to take this same bottom-up approach. The objective of a pilot programme is to test and learn, and we believe that we have learned enough from these pilots to give us confidence in wider deployment of some of these services. However, what we are suggesting is that local partnership remains a critical element of our success, and that it will be similarly key to any future roll-out.

What we learned

If there is to be a wider roll-out of pilot services, we would recommend that any future approach:

- **assesses the needs of communities without assuming they all need the same service. They don’t.**
- **works with local leaders within the community both to assess needs and to determine how best to deploy services.**
- **uses the local knowledge and insight of community leaders to establish the services.**

2. | A key impact of the pilot interventions has been to save money for people on low incomes.

It is well understood that people who are most dependent on cash are also more likely to be on lower-than-average incomes. The Access to Cash Review in 2019 reported that people earning less than £10,000 per year were fourteen times more likely to be dependent on cash than those earning over £30,000 per year. The reasons for this are similarly well understood. Cash remains a very effective way of budgeting and is accessible if you don't have a smartphone and or can't afford home broadband. As cash use has declined and services have closed as a result, it has been the poorest who have been hit hardest – often financially. Travelling to a nearby town to access cash or using a fee-paid ATM costs money, and a disproportionately large sum for those on low incomes.

A large part of the 'access to cash' debate has focused on ATMs. However, those on low incomes often struggle to use ATMs because they want to withdraw less than the £10 or £20 minimum, or withdraw a non-round amount. One of the insights of the pilots was that solutions such as cashback, Post Office counters and the Banking Hub allowed people to withdraw just what they needed, which in more than half of cashback transactions was under £20. 41% of all withdrawals from the PayPoint 'cashback without purchase' trial were for non-round amounts (i.e. £5.78 rather than £10 or £20). ATMs also don't allow deposits, which are particularly important to those who work in a cash economy and need to bank their takings regularly.

Saving money

People on lower incomes typically withdraw lower than average sums from ATMs – and the pilots have shown that many want to withdraw even smaller amounts, which cashback can offer. A £1.99 charge on a £10 withdrawal is a significant percentage of a consumer's money lost in costs, which can affect those on lower incomes disproportionately.

Over the past few years, a higher proportion of cash withdrawals from an ATM have involved a fee. In 2015, fee-paid withdrawals accounted for around 2% of all withdrawals, rising to around 3% in 2019 and reaching a high of 5.3% during the 2020 pandemic – possibly as consumers chose the convenience of a local pay-to-use ATM, or because they simply weren't able or allowed to travel further afield to reach a free-to-use machine. Of all ATMs working in the UK today, 24% charge fees to people to access their cash.

In the pilots, at the point we started working with the communities, Burslem didn't have a free ATM, the community in Hay-on-Wye was concerned that their machine would switch from free to pay-to-use (as it had previously), and the main ATM in the centre of Rochford was fee-paid. Even in areas where there were ATMs, some of them were unreliable. The main ATM in Cambuslang was regularly out of order and didn't dispense smaller value notes. One of the interventions made in the pilots was to ensure that all pilot communities had free to use ATMs in the centre of the town. This was made possible by LINK, who were a partner to the pilot programme.

Another cost for many cash-dependent consumers is the cost of travel. If you need to withdraw less than £20, or make a deposit, an ATM may not help you. For many years, Post Office counters have been able to support low-value transactions and deposits, but some lower income customers feel ashamed letting other members of their community see them withdrawing small sums, and as a result, want to do so somewhere where they are not known, or where they have privacy. This can cost, in terms of time and money. More than half of pilot respondents (consumers) said that they were travelling out of town less as a result of pilot interventions, saving them time and money.

“

There are times I've had to borrow money because I can't get to a cash machine or cash machine isn't working.”

CAMBUSLANG RESIDENT

“

I now have to spend money and time going to a bank in a nearby town, I do not have spare money or time.”

CAMBUSLANG RESIDENT

Quotes from Cambuslang

Before the BankHub opened

“I'm on benefits and buses to Rutherglen works out too expensive.”

CAMBUSLANG RESIDENT

“

I couldn't get to a bank to deposit a cheque before Xmas, so it took almost 2 weeks for the cheque to clear due to the holidays - money I really needed.”

CAMBUSLANG RESIDENT

Quotes from Cambuslang

After the BankHub opened

“As I work full time I find the hub fantastic and the staff very helpful.

BANKHUB USER, CAMBUSLANG

“

Lifeline for the elderly who do not use internet banking.

BANKHUB USER, CAMBUSLANG

“

I had to travel to Rutherglen and parking was difficult especially with a disability. The BankHub has been an asset for business and personal use.”

BANKHUB USER, CAMBUSLANG

“

The BankHub is such a great asset to our Main Street. It makes banking a whole lot easier, instead of having to travel miles we can just go down to our Main Street.”

BANKHUB USER, CAMBUSLANG

66

On the day I visited the BankHub, a woman came in and withdrew the last 80p in her account to buy a loaf of bread.”

CLAER BARRATT
FINANCIAL TIMES, WHO VISITED
ROCHFORD IN JULY 2021

Over 50%

**of all cashback withdrawals
were for under £20**

Making it easier to manage money

One of the most striking statistics in the evaluation was the number of cash withdrawals made through cashback under £10 – 14% of those given through local stores (under ‘cashback with a purchase’) rising to 29% of all cashback transactions given by PayPoint (under ‘cashback without a purchase’). And a far higher percentage of transactions were under £20 – 60% of all Sonect transactions, over half of all PayPoint (‘cashback without a purchase’) transactions, and 26% of cashback with a purchase transactions.

Many people on low incomes shun direct debits, as they can take money out of an account when it’s not there, preferring to pay bills one at a time, as funds allow. Similarly, those who take most of their income in cash (many cab drivers, gardeners, cleaners or decorators) will need to make regular deposits so that they have money to pay the bills. Feedback from the pilots was that deposit solutions, such as the Banking Hubs, enabled far more regular cash deposits, enabling people to avoid overdraft charges. 16% of pilot users said that the interventions had helped them manage their money better.





16%

of pilot users said that the interventions had helped them manage their money better.

“

I'm paying in more money which saves me fees from going overdrawn. I'm often overdrawn and have the money but can't get to the bank to pay it in. I have children and don't want to drag them into town just to use the bank. The Hub is so simple and quick.”

BANKHUB USER

What we learned

There is a real cost to lower income and vulnerable consumers of not having cash access. Local access to cash withdrawal and deposit facilities can save the poorest people time and money, and help them manage their money better.



3. | Of all of the solutions piloted, Banking Hubs met the widest range of needs.

Over 40 services were piloted across the 8 communities during the pilots. Different services met different needs, and some worked better for some communities than others. But by far the most popular interventions, for consumers and small businesses alike, were the Banking Hubs.

The idea of shared spaces or branches serving the customers of multiple banks has been around for a long time, but it has never been piloted for consumers before¹⁴. In two pilot locations, Cambuslang (Lanarkshire) and Rochford (Essex), we worked with the local community, all the major banks and the Post Office to establish a shared space. In both locations, we identified and took over a small, empty shop in the centre of town, and refitted it to create the feeling of privacy and security while still being welcoming and accessible. To support us, the Post Office created simple but striking branding, and we agreed the 'BankHub' name. The Post Office established a dedicated banking counter in each BankHub, with different branding from their standard offering, and not taking parcels but simply supporting cash and banking transactions, to standards already agreed between them and the banks.

In each Hub we also created a private room with frosted glass panels for a trained banker to meet their customers (referred to here as "Hub Bankers" as each bank gives these team members different titles). We established who the five largest banks were in terms of market share within each location, and those banks all agreed to support the service for one day a week, taking turns to staff the private space. However, because the Post Office counter served virtually all banks, any customer could use the service when it was open. In Rochford we added an automated deposit machine (aimed at small businesses) which allowed the deposit of notes without needing to go to the counter. Both Hubs were open 9am to 5pm, Monday to Friday, and having taken customer soundings before opening the Banking Hubs, we made the services completely 'drop-in', available without appointments.

BankHub deposits:

42%

of all consumer transactions

80%

of all small business transactions

What were the Banking Hubs used for?

From day one, the Hubs were used by small businesses and consumers, and usage has been steady throughout the pilots. The counters were used for a wide range of transactions, and consistently in both locations, despite the big differences in community characteristics. Deposits dominated, representing almost 40% of all consumer transactions, and almost 80% of small business transactions. There were a significant number of cheque deposits in both locations, representing 19% of all consumer transactions.

¹⁴ 'Project Granite' did pilot the idea of shared branches for small business customers in April 2019



How consumers and businesses used the BankHubs in Rochford and Cambuslang*



92
Average daily footfall of customers



8
Average daily number of meaningful conversations¹⁵ with Hub Banker



40%
of all consumer transactions were cash deposits



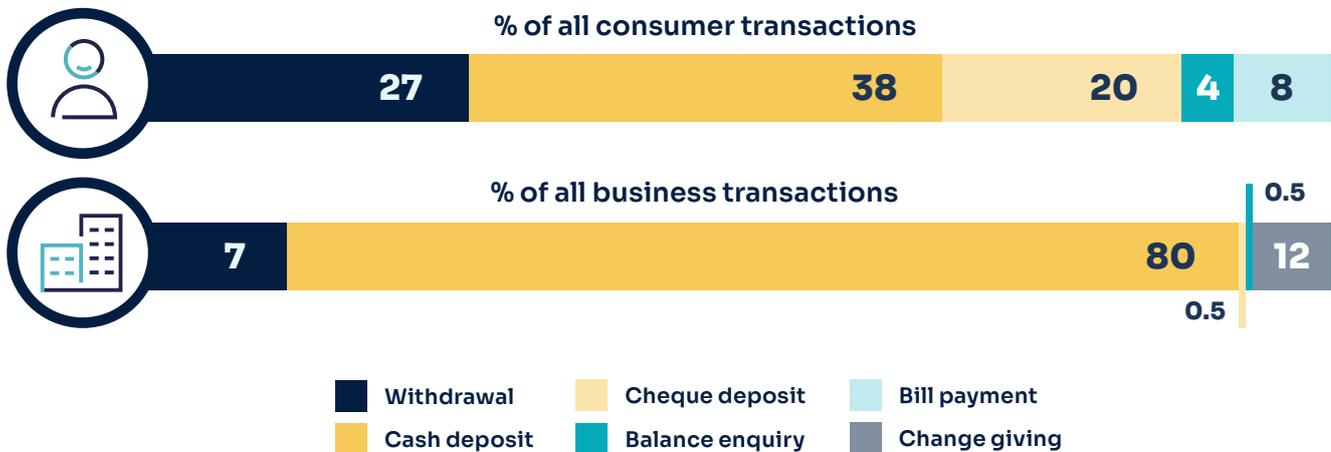
80%
of all business transactions were cash deposits



£4.65 million
of cash deposited in the two BankHubs



4,200 +
cheques deposited in the two BankHubs



* Combined data of Rochford and Cambuslang BankHub usage which was very similar for both Hubs in both volumes and distribution of usage. Data from April to October 2021.

¹⁵ On average, Hub Bankers each spoke to around 20 customers per day, but we asked them to classify those which were ‘meaningful’ – i.e. in depth.

The role of the Hub Bankers was also important. Before the Hubs opened, the communities told us that face-to-face support was likely to be important, with over 50% of customers saying that they would definitely or might use face-to-face support. In response, we established a service whereby one banker from each of the most-used banks came and offered drop-in support for one day a week. The Hub Bankers were consulted on a wide range of issues. The main issues raised were around ongoing account management – everything from people not knowing how to make a transaction online, to being locked out of their account or not knowing how to deal with a particular concern. Asking for help to transfer money was a common theme, with many customers concerned about making a mistake and losing their money. A number of customers (around 10 each month) asked for help to start using online banking or an app, with others (around one per day) already online banking users asking for help to do something online. The Hub Bankers themselves felt confident that they were not just supporting customers with their current needs but were also taking the opportunity to raise people's financial capability and to give people confidence to do more themselves.

“

Some of the local people cannot afford to travel to another town for banking. They are loving the fact that they can come in on a daily basis, take their money out and pay their cheques in without having to think about getting a train, bus, taxi or driving several miles to another town.”

HUB BANKER

“

“Cambuslang has a large vulnerable population and a lot of the customers I see are a bit older, so they have not taken on board digital or online.”

HUB BANKER

“A lot of the elderly customers prefer face to face or telephone conversation so most often have to ask a family member to hold their hand and travel to the next major town for banking.”

HUB BANKER

Some people come and question why we are here, and then we have other people who desperately want to learn online banking and chat about issues on their account.

The main benefit for many is the access to cash in a safe environment where they feel comfortable and off the street.”

HUB BANKER

Consumers rated the BankHub as good or very good in terms of:



Total respondents: 700

What was the feedback on the Hubs?

The feedback from consumers and SMEs alike was outstanding. At the start of the pilot, we asked local residents and small businesses to tell us what characteristics were important to them in managing withdrawals and deposits. We used these as guiding standards for developing the service. When the Hubs were up and running, we asked consumers and small businesses to rate the BankHub against those same characteristics. Against every measure, over 95% of respondents rated the service as ‘good’ or ‘very good’.

While this data is staggeringly good, it reflects more than just appreciation of the service. For some consumers, the feedback was that this service had been a lifeline. Consumers told us that it had saved them overdraft charges, saved them hours of travelling, helped them manage their money better, and helped them feel far safer. Businesses told us that, in some cases, it had helped keep their business viable.

84%

of respondents felt it was either very or fairly important that the Hub was run by recognised brands.

Branding of the Banking Hubs

We chose to develop the Banking Hubs with the major banks and the Post Office because of their existing expertise and because they were trusted, well-known brands. We did explore other options but found that the complexity of integrating new providers into banking systems so quickly was impractical for the pilot, and that no other providers had the ability to take deposits over a counter in a way which was legally compliant. However, we also decided to work with OneBanks – who were planning to offer a similar service in Denny – so that we could understand two different models for face-to-face ‘assisted cash’ services.

The BankHub was a new concept. A few customers did report confusion; the Hubs did have some people wanting to post parcels because of the Post Office presence, and there was some initial confusion about which days consumers of different banks could use the Hubs (the answer – any day, not just the day that their ‘own’ bank was on site). But the overwhelming view was that the provision of this service by well-known brands was important – with 84% of both small businesses and consumers supporting this view. What became clear across the pilots is that many people, particularly the cash dependent, are daunted by money management, and with fraud levels rising, nervous about who to trust. Quite simply, having established brands leading the BankHub gave people much-needed confidence.

SMEs rated the BankHub as good or very good in terms of:



Total respondents: 32

What would people have done if the Hub hadn't opened?

One of the key questions we wanted to answer was what users of the BankHubs did before they opened, and what they would have done if we hadn't opened the Hubs. Having had more than a year of closures due to Covid before we opened, we couldn't simply compare 'before' and 'after' usage of local services, not least as customer behaviour had changed in part due to Covid. We therefore had to use a range of methods to try to answer this question.

What we found was that Hub users had previously used a wide range of services. There appeared to be very little 'cannibalisation' or service switching from the local Post Office counters in either Cambuslang or Rochford. Our research suggests that those people who had felt the Post Office was a suitable place to make deposits and withdrawals had continued to use it. But Hub users (consumers and small businesses alike) told us that the Post Office counter had not been meeting their needs, and that they had been using a wide range of other services to get what they needed to manage their money.

87%

of BankHub users said that if the Hub had not been there they would have travelled out of their community to visit their nearest bank branch

32%

of users of the Hub Bankers said that they would never consider using digital or telephone banking

Over 60% of business owners told us that before the Hubs, they had travelled out of town either to use their bank branch or a different Post Office counter. Many did this because they didn't want their transaction to be overheard in the local Post Office by people who knew them – and would then know how much money had been in their till. Consumers reported that they had been travelling out of town, asking friends and family (or carers) to get their money for them or make deposits, or simply storing up transactions for a trip out of town, which risked them going overdrawn in the meantime.

When we asked the Hub Bankers what they thought that their customers would have done if they hadn't been there, they estimated that around 70% would have travelled to another bank branch, 15% would have used the phone instead, and 10% would have used online banking. However, they believed that the remaining 5% would have put off dealing with an issue that was pressing, because they could neither travel nor use digital services.

What was the impact of the Banking Hubs on consumers?

We could see from some of the public comments that it can be challenging for people who do all their banking digitally to see why a service like the Hub would be so well received. We know that many bank branches are closing because of low usage levels, and for many people it has been many years or even decades since they sought face-to-face advice or used a counter for financial transactions. However, what was clear was that many of the users of the service felt strongly that it met their needs better than other channels, and that for more vulnerable customers, the BankHubs impact was profound.

“

This is a brilliant service and it's so much more convenient than queuing in the Post Office and a lot less dangerous when depositing money staff are brilliant also.”

“

Prefer to withdraw cash over the counter do not like ATM's I feel insecure. Also I can choose what notes I want. ATM always seems to give £20 notes which I do not like for small purchases.”

Security and increasing confidence

“I feel safer depositing cash to my accounts.”

“Feel less vulnerable handling cash in a safe environment”

“

I feel safer withdrawing cash in Cambuslang than travelling home with it from Rutherglen.”

Helping those in vulnerable circumstances

“I used to have to get a carer to withdraw money for me which is not ideal, now I can do my own banking.”

“

It has been so helpful to me personally. To access issues I may have. Even more so recently when I had a relative pass and had to deal with their banking. Another local asset that helps the community in a great way.”

“

I have personally found the service excellent and it has made a huge positive difference to elderly friends and relatives who are not in a position to complete an online survey.”

“Reduced my stress levels as I like to speak to humans.”

“It's so much easier for me, no taxi and I can withdraw money safely, with me being disabled and on crutches I would be scared I feel safe going into the hub.”



92%

of businesses who used the Hubs are more likely to keep accepting cash because of the pilots

What was the impact of the Hubs on small businesses?

The impact of the Hubs on small businesses was equally significant – and brought benefits to the wider community. Small retailers told us that if they accept cash, they need to deposit cash regularly. All the pilot communities were without bank branches, leaving small businesses the choice of using the local Post Office counter, shutting up shop during working hours to drive to a nearby town to use a bank branch, or keeping money in their till for longer – with associated security risks and insurance implications. The other option, of course, is to stop accepting cash altogether.

In Rochford and Cambuslang, small businesses who had used the Hub reported that being able to deposit money securely and privately meant that they could manage their business more effectively. 38% reported travelling less and saving money and time, and 23% said it had helped them reduce the amount of time they needed to close their shop to carry out banking.

There is also evidence that the Hubs increased local footfall and could be a tool for wider economic regeneration – explored on page 87.

92% of businesses who used the Hubs reported that they are more likely to keep accepting cash because of the pilot. One of our key hypotheses at the start of the pilots was that being able to bank their cash easily was a key driver of cash acceptance. The pilots appear to prove this link very strongly.

What's the difference between a Banking Hub and a Post Office?

This is one of the questions we have been asked most often – by the media, local residents and stakeholders. One way of viewing the Banking Hubs is that we were simply replicating the services of any Post Office counter found in 11,500 locations across the UK, putting it in a new location, and adding the face-to-face services of a banker for those who needed it.

However, consumers told us that the privacy and secure environment offered by the Hub made a huge difference. For many, managing money is complex, serious and intimidating. One consumer summarised this in a way which spoke for many, telling us that they “find it really stressful paying in a small amount of money in a Post Office queue when I’ve got a queue behind me of people with parcels who are tutting at me for going so slowly”. Our surveys highlighted that the issues with the local Post Offices in both Cambuslang and Rochford related to the privacy of transactions, safety of the location and time taken to be served, and not the capability and friendliness of the staff. Creating a dedicated and private space for consumers to manage their financial transactions was well received.

But what about the Community Banker service, described in more detail on page 15? We replicated the Community Banker service in Hay-on-Wye, but in a separate location from a counter service. Despite offering very similar services, the feedback was far less positive. The Hay-on-Wye Bankers, despite having the same skill set as those in Rochford and Cambuslang, and despite a lot of bank support, were perceived by customers as not being able to do as much to help customers because they weren't close to a transactional service, and consumers didn't understand the distinction between the two. Our conclusion is that it was the combination of face-to-face support alongside a transactional service which best fits with consumer needs.

“

Grateful that the banks listened and brought back some sort of bank for Cambuslang. I like the fact of speaking to someone face to face for my banking needs. Not every generation is comfortable with the technology of online banking.”

HUB USER, CAMBUSLANG

“

The staff in the BankHub have uniformly been fantastic. They've all had the spirit of helping the community. Just one person who wasn't quite right would have done a lot of harm, as word spreads. Instead, the great staff have given the community confidence in the advice that they have given and given each of the participating banks a reputational boost in our community”.

COMMUNITY LEAD,
CAMBUSLANG COMMUNITY COUNCIL

The importance of the right staffing

Why should a service in the middle of the high street offering cash access and withdrawal services be a success? It's really nothing new. When we established the Banking Hubs, there was inevitable scepticism. After all, there were Post Office services nearby, and bank branches had closed in those same towns when they had become commercially unviable. So what made the Hubs a success?

One of the key elements was the staff. We knew that the service would be dealing with more cash-dependent people, and hence needed to be friendly and supportive. The Post Office handpicked the two teams managing the counter service: Jan and Paul Culverwell in Cambuslang, and Richard Fleetwood in Rochford (who happened to be Jan and Paul's son). Jan, Paul and Richard were praised throughout the pilots for being cheerful, supportive and welcoming. For the Hub Bankers, each bank chose members of staff who they knew would be patient, positive and supportive, and we gave them training through Toynbee Hall's 'money mentors' programme before they started in the Hub.

The economics of Banking Hubs

The pilot programme did not seek to test the economic viability of Banking Hubs. However, the pilot did give us some insight into when they might be viable and effective.

Of all the pilot interventions, the Hubs are by far the most expensive. They require the lease of a premises (with all the associated costs) and two staff at all times, one to run the counter, and another to support other queries. In total they cost the same as a small bank branch, but as the costs are shared, they are less expensive for an individual bank.

Banking Hubs will not be the answer to every UK town's cash needs. To be commercially viable, they will need to support a sizeable community of consumers and a significant number of retailers. To avoid jeopardising the viability of existing Post Offices and bank branches, it would not make sense to locate them near an existing bank branch, or near a Post Office counter which is already meeting community needs.

While Banking Hubs may be thriving in both Cambuslang and Rochford, our view is that they would be unlikely to be commercially viable in smaller locations, as there simply wouldn't be the demand to justify providing the service.

Potential for development and improvement

Although satisfaction with the Banking Hubs was extremely high, the communities did highlight some areas for improvement. Most of these relate to the services offered by the Post Office counter, which is subject to a separate agreement with the banks. The communities asked whether it would be possible to pay credit card bills, cash cheques, get bank statements and order foreign currency. We have flagged these issues with the Post Office, who would need to discuss them with the banks to change their existing agreements.

Other suggestions included Saturday morning opening (there was no demand in either Cambuslang or Rochford for later evening or earlier opening), and possibly having a staff member available on some days who could support customers from all banks.

There is clearly potential for future innovation within the Banking Hub model. Ideas we didn't have the time to test included using some of the space for advisory services (such as debt advice or helping people use online banking), and enabling the banks to test offering a wider range of services. The two BankHubs in Rochford and Cambuslang have been extended on the basis of continued piloting of new ideas so that they can serve these communities even more effectively.

What we learned

With their shared costs and community approach, Banking Hubs have the potential to provide valuable cash services where it has become commercially unviable for individual banks to retain services. They support consumers and small businesses alike.

However, Banking Hubs need to be planned with the local community to make sure the service meets people's needs, and do so cost effectively. Getting the right staff involved is also critical to their success, with staff needing the skills and knowledge to serve the community well.

4. Cashback has real value – particularly as a source of resilience, to support budgeting, and to support smaller communities

The role of cashback

One of the solutions we were particularly keen to test was cashback. For many years, small businesses have refrained from offering cashback to their customers because it costs them money. Retailers typically pay a percentage of all transactions to their payment intermediary, so it can cost up to 80p in fees for a small business to give a customer £20 cashback. Until mid-2021¹⁶ it was also very difficult legally for shops to give cashback unless a customer made a purchase. We wanted to understand how useful cashback would be to help smaller communities with their cash needs, and whether cashback was a viable alternative for other services like ATMs. There were mixed views at the start of the pilots, with some people believing that cashback had the potential to supplement ATMs, and others believing it would be rejected by retailers who would be concerned by security risks.



¹⁶ In 2021 the government amended the law through the Financial Services Bill to enable cashback without purchase to be provided by retailers without the burden of over complex regulation

We tested three forms of cashback:

1. Cashback without a purchase.

In Cambuslang, Hay-on-Wye, Burslem and Denny, several retailers offered cashback without consumers needing to buy anything, through a service provided by PayPoint. The retailer received a small fee for offering cashback, which could be any amount (whether a round amount like £10, or a non-round amount like £6.73)

2. Cashback with a purchase.

In Hay-on-Wye, Rochford, and Millisle a wide range of retailers offered cashback along with a purchase, but the purchase price could be as low as 1p. Participating retailers offered a selection of products costing 1p and were paid to offer this service.

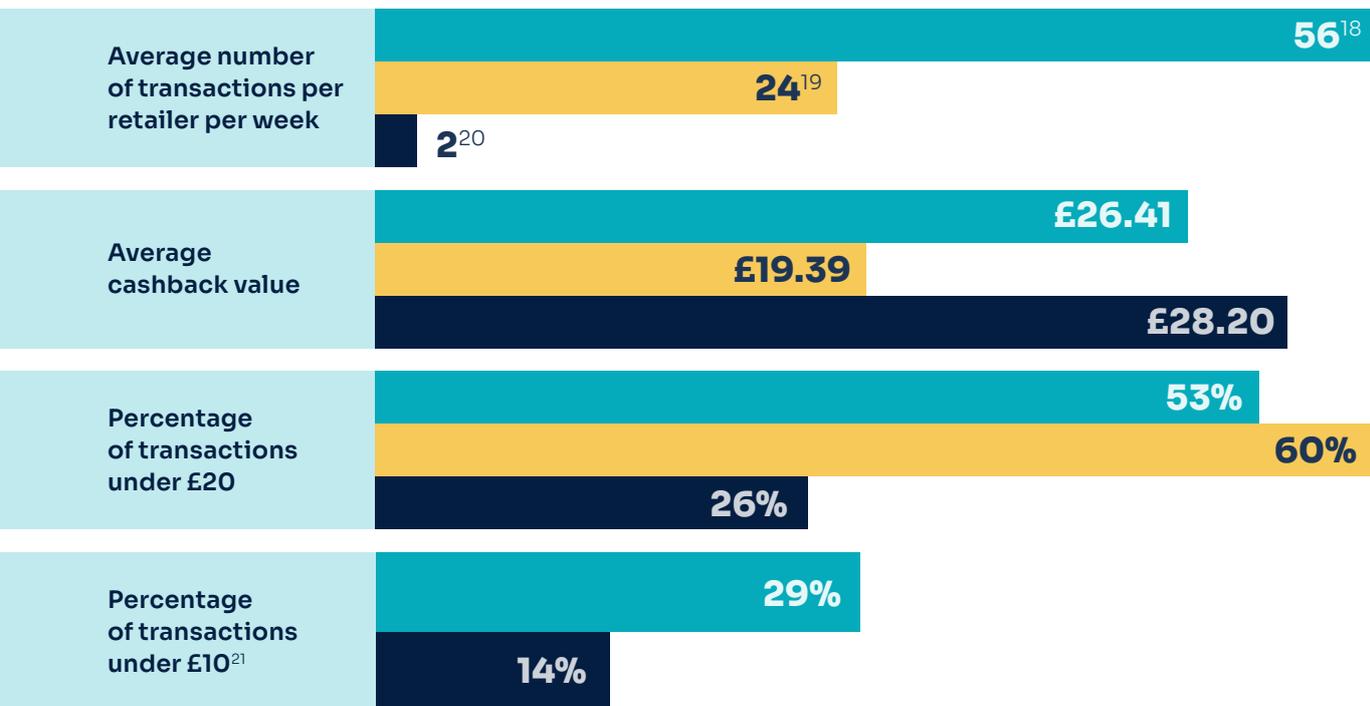
3. 'Click and collect'.

In Burslem, we trialled a third approach – an app-based click-and-collect service provided by a company called Sonect. The Sonect service connects a member of the public who wants cash with a business which has cash it wants to offer. This enabled customers to order the cash they needed on the app, knowing that their money would be waiting when they called into the local shop of their choice. This was free for participating retailers to use.

Total value of Cashback

withdrawn over the pilot period:

£344,000¹⁷



- PayPoint cashback without purchase
- Sonect cashback via app
- Cashback with purchase

¹⁷ This consists of £31k issued by Sonect, £13k issued through cashback with a purchase retailers, and £300k from Paypoint sites. All figures rounded to the nearest £1000

¹⁸ Taken across the period of the CACP pilots. The PayPoint pilot opened earlier than the other pilots, so had time to ramp up awareness

¹⁹ This data is from September, which represented the end of the Sonect pilot. The new nature of the Sonect service meant that it took time to sign up retailers and build awareness, but volumes grew steadily over the pilot period

²⁰ Cashback with purchase was offered by retailers across most of the pilot communities. Volumes varied significantly by retailer and by location, with many shops having no transactions.

²¹ Sonect had a minimum transaction value of £10

Our conclusions on cashback from the pilots were:

In smaller communities, cashback worked well. However, in some larger communities it was less well used.

Where it was used, cashback helped local retailers recycle the cash in their till, reducing the amount of times they needed to go to a bank or Post Office to make a deposit. And it helped customers in smaller towns get cash when there might have been only one ATM, which was struggling to cope with demand. However, in some of the larger communities, we found that cashback was used far less. When we asked consumers and small businesses why, most simply said a variation on the theme of “I don’t need it – we’ve got an ATM/ Hub/ good Post Office.”

Cashback is a strong proposition to back up an ATM and provide resilience for seasonal demand, but will struggle to replace an ATM or Post Office.

Some communities found cashback really useful when they had only one ATM which could run out of money in busy periods. However, we found that in every pilot community retailers were reluctant to offer consumers a guarantee that they would always have the cash available for cashback, so consumers couldn’t rely on cash being available. One exception to this was the Sonect service, through which consumers could order cash on an app, and the retailer could confirm that the money was there. However, the fact that this relies on an app meant that it didn’t work for all consumers.

Hay-on-Wye provided valuable insight into the limitations of cashback.

Cashback was undoubtedly a success for the community, offering them resilience when the ATM ran out of cash, supporting seasonal peaks in demand, and even increasing footfall in some stores. And yet when we asked the Community Leaders what difference the pilot interventions had made overall, their answer was “minimal”. With no bank branch, their community depended heavily on their local Post Office for cash services and particularly

for deposits. During the pilot period, in part due to Covid, the existing Post Office had closed, and the service was in the process of transferring to another retailer. Cashback simply couldn’t fill the gap left by the temporary closure of the Post Office service.

Cashback worked well for elderly and more vulnerable consumers, and was particularly valuable as a budgeting tool.

60% of cashback users said they felt that it was more convenient than an ATM, and 53% preferred it to an ATM. Exploring this in more detail, 86% liked the idea that it was indoors and safe – a concern that many told us they have with ATMs. The number of cash withdrawals of low volumes from cashback was high, with over half under £20 in value. Speaking to consumers and retailers, it was clear that many customers were using cashback to get out just what they needed or just what they had in their account, and for a withdrawal of less than £20, an ATM may not even be an option as many do not dispense lower value notes.

Cashback appeared to be used disproportionately by vulnerable customers.

One of the major banks analysed cashback usage and told us that over 50% of the customers using cashback were customers that they would class as ‘vulnerable’. Interestingly, 72% of cashback users said that had the cashback not been available they would have used a bank branch out of town, suggesting that the private, indoor characteristics of cashback were meeting a real need, and that an ATM wouldn’t have been a suitable substitute. Similarly, 18% of cashback users said that if cashback hadn’t been available, they would have asked a friend or relative to get cash for them.

Cashback is best offered by locations where there is either a clear relationship to financial services, or an existing consumer-retailer relationship.

The PayPoint cashback service was used far more than the other services in terms of number of transactions per retailer. In Burslem, where five of their ten pilot retailers were locations, their transaction volumes were extremely high, at around 60 cash withdrawals per retailer per week. We attributed this to the fact that these stores were already known for offering financial transactions, giving both consumers and retailers confidence in the service. For retailers offering cashback for the

first time, the lower volumes are likely to be at least in part attributable to the lack of awareness of the service, which retailers told us translated into consumers being cautious about asking for cashback. However, communities also reported that cashback worked best in environments where customers knew the retailer well or had a chatty and informal relationship (such as a café, charity shop or convenience store) and less well when the transaction was more infrequent or formal (for example, a pharmacy or a more specialist shop).

If retailers' costs are covered and they aren't required to guarantee that cash will be available, they see more benefits than concerns in offering cashback.

At the start of the pilots there had been some concern that retailers would worry about the security risks of offering cashback, and the risk of disappointing customers if there wasn't enough money in the till. We were clear with retailers that it was perfectly acceptable to only give cash if they had it, or to explain to a customer that they could only give them a lower amount. After the pilots, of the 27 retailers interviewed (representing most of those offering cashback), only 5 worried about the security issues. None worried about not having enough money in their till. And many saw wider benefits to their business of offering cashback, with 57% seeing the average basket value increasing and 52% seeing an increase in footfall.

80%

of retailers disagreed that they worried about the security issues of offering cashback

57%

of retailers agreed that their average basket had increased

52%

of retailers agreed that their footfall had increased

What we learned

The widespread introduction of 'cashback without purchase' is very welcome and supported by the Community Access to Cash Pilots. It worked well both for retailers and consumers. Cashback can also provide valuable support for those on tight budgets, as it allows withdrawals of smaller sums than an ATM usually allows. It is particularly well used, and well liked by more vulnerable consumers. In combination, these factors mean that cashback has the potential to both support cash access and potentially increase cash access for the more financially vulnerable.

However, at the moment, cashback should be seen as a complementary service to ATMs and other cash withdrawal services – particularly suited to smaller locations, communities in areas of high financial vulnerability, to build resilience or to cope with seasonal trends. As cash use declines, however, and ATM volumes make ATMs commercially less viable, cashback could be a valuable service to keep cash accessible.

5. The environment in which a service is provided can be as important as the service itself – and is critical to its success.

Much of the cash access debate has been dominated by the issue of proximity. Regular reports analyse which towns have an ATM, or a Post Office, or a bank branch. Yet we know from our own experiences that the environment in which a service is provided is a major consideration when deciding whether to use it. How many of us shun a particular shop or service in our community because it is ‘unfriendly’, in an ‘unsafe part of town’ or across a busy road? Retailers know well that the location of a shop on the High Street can be the determinant of driving sales – for example, too far from the main thoroughfare can mean it becomes unviable.

Not every bank branch or Post Office is the same. Some bank branches are open for limited hours and don’t take deposits. Some Post Offices are expansive, welcoming and offer privacy, while others are in busy local stores with a Post Office counter on the side. Some ATMs are in the centre of town, while others can be in places where even the most confident person might not feel safe carrying cash.

It can be too easy to put this down to ‘preference’ or simply a desire for convenience. Evidence from the pilots, however, suggests that when it comes to financial matters, these are issues of need – for consumers and small businesses alike. At the start of the process, some pilot communities told us that their residents and small businesses were travelling miles to pay in cash because local services didn’t feel safe and private. The fact that people were prepared to spend time and money seeking out other services tells us that being safe and feeling safe is a need, not a preference. Part of the pilot design was to explore how we could meet all needs locally – not just the need to withdraw or deposit cash, but the need to feel safe while doing so.



What did consumers and small businesses tell us that they needed?

At the start of the pilots, we worked with each local community to understand their needs. The major issues flagged by consumers and small businesses, ranked in order of priority were:

Trusted people delivering the service

90% ranking as ‘very important’. The most critical factor emerging from our initial research was the importance of trust, with 90% of respondents ranking this as ‘very important’. What residents and small businesses stressed to us was that with fraud rife, people who aren’t confident managing their money don’t always know who to trust. It was therefore critically important that services were run by brands they trusted. This came through in the pilots, where services which had existing brands associated with financial services were used more than others.



“

As I work full time I find the hub fantastic and the staff very helpful.”

BANKHUB USER, CAMBUSLANG

Quick and easy to use

80% ranking as ‘very important’. Particularly for small businesses, time is money.

A retailer running a local shop singlehandedly may have to close their shop each time they make deposits if it can’t be done out of hours. For small businesses, a service being quick and easy to use was a major consideration.

Friendly and supportive

75% ranking as ‘very important’. Consumers stressed that not everyone feels comfortable and confident managing their money. Consumers with less confidence valued having a friendly and supportive environment in which to do any transactions. In fact, some of the local services that weren’t meeting people’s needs before the pilots were considered unfriendly, and therefore not ‘a good environment’ for financial transactions.

Not feeling hassled or pressured by people in a queue behind you

70% ranking as ‘very important’.

In every community, a theme emerged which may best be described as “let me take my time – I need to manage my money.” For the more cash dependent, money management was not always simple and straightforward, so a visit to a counter could take a bit of time, whether to ask questions or count change. The issue of feeling pressured by people in a queue came up a lot, with 70% ranking the issue as really important in any new service.

Privacy and security

65% ranking as ‘very important’.

Over 65% of respondents across all communities stressed the importance of privacy and security. For those on low incomes, withdrawing or depositing small amounts of cash can lead to a feeling of shame, or being judged if overheard by other local residents. For small businesses, if your money is being openly counted at a counter where others in the community can overhear how much you’ve deposited, this can lead to you feeling very unsafe. For retailers and consumers alike, feeling unsafe paying in money is not just unpleasant, but in many cases intolerable. As one retailer told us “I don’t want everyone in the town knowing how much money I had in my till overnight”.

The location of services also affected the sense of privacy and security. One community told us that an ATM felt unsafe because it was down an unlit passage. Another spoke of an ATM at the “wrong end of town”, where groups of young men gathered, which made the more frail and vulnerable feeling unsafe. Another spoke of a Post Office which was located next to an off licence where there were often people sitting on the doorstep drinking. To nod of agreement, one resident said in a workshop “nobody would feel safe depositing or withdrawing money in there”.

Putting the insight into practice through the pilots

For the Banking Hubs, the actual service offered at the counter was the same as that offered in the nearby Post Office, yet feedback was overwhelmingly positive. Analysis of the data suggests that Hub usage was additional to (in that it did not ‘cannibalise’) the usage of the existing Post Office counters and was largely coming from consumers and small businesses who had been travelling out of town to withdraw and deposit cash. The reasons people gave as to why they were travelling out of town were those given above – including the need for privacy and security.

The co-location of services also appeared to be an important factor. In Hay-on-Wye, we found a location for Community Bankers that was separate to the Post Office counter. However, unlike in Cambuslang and Rochford where they were co-located with the counter, the service was used relatively little, despite the same level of care and training in selecting supportive staff. As well as limited uptake of the service, due to its location, the community feedback from Hay-on-Wye was that consumers simply didn’t see much sense in talking to someone about banking when they couldn’t pop over to a counter to complete a transaction. Consumers had arrived at the Hay service with expectations which couldn’t be met, and as a result the service got a reputation for not being particularly useful – despite being the same Community Banker service operating in the BankHubs.

What we learned

Consumers and small businesses take many factors into account when considering where and how to manage their money.

Proximity is only one factor. All users need to feel that they trust the brand and people delivering the service, particularly when making deposits. Speed matters, particularly for small businesses – where a queue can literally mean closing the shop to customers while they manage their cash. Not everyone feels comfortable with money, so a supportive and friendly environment matters, and privacy and security rank highly on consumers’ and businesses’ lists as critical components of service provision.

These factors are not just ‘nice to haves’. If these needs aren’t met, consumers and businesses will often spend considerable time and money travelling elsewhere to find services which do meet these needs, rather than use more local services which don’t.

6. Many cash dependent people are not as comfortable with technology as the general population. Technology-rich solutions met fewer needs.

We were keen to test a wide range of solutions during the pilots, from the traditional to the more innovative. Some of the providers adopted technology-rich solutions. For example, we offered three forms of cashback – one offered through any retailer, one through PayPoint (which had existing terminals in convenience stores) and one through a new provider, Sonect, which offered an app-based service for consumers to order their cash in advance from a retailer who had cash available in their till. For face-to-face services, in addition to the Banking Hubs we worked with a new provider called OneBanks, which set up a service in Denny that offered a similar service to the BankHub, but in a more technology-rich way. And Shrap, a third new provider, offered a card service to manage small change, so that change could be loaded onto a card or an app rather than taken in loose change, enabling retailers to manage their till better, and consumers to avoid carrying around ‘shrapnel’.

There are clearly operational advantages to using technology in cash management. Being able to order cash in advance gives confidence to retailer and consumers alike that the transaction can be fulfilled. It can also be cheaper to operate than more resource-intensive solutions. We are also well accustomed to digital transactions through ATMs.

We found a mixed reaction to technology-based solutions through the pilots. One such service, OneBanks, had significantly lower usage than

the equivalent person-based service, seeing an average of 9 customers a day in Denny compared with an average of 92 customers in each of the Rochford and Cambuslang BankHubs. The team at OneBanks recognised that there were steps that they could take to make the customer experience easier, as well as to offer a wide range of services that customer want (such as coin deposits and bill payments) and are currently improving their proposition to do just that. However, the service did help 10% of its customers to use online banking for the first time.

The Sonect app-based ‘click and collect’ cashback service had the challenge of signing up retailers to a new proposition, and then persuading customers to download an app and ‘onboard’, before getting cashback. However, their usage grew rapidly through the pilot, with just 8 transactions per retailer in the whole of April rising to over 100 in September. However, this was still around half of the average volume of cashback transactions per retailer of a PayPoint cashback provider.

For Shrap, technology appeared to be less of a barrier, perhaps because it doesn’t require either a phone or even a bank account. Shrap is both a new brand and a new concept. Shrap use grew rapidly over the period of the pilots, rising to 3141 users over three locations. Shrap proved particularly popular in Millisle, a small and close-knit community, where people tended to recommend the service to others through word of mouth. 90% of the businesses approached chose to offer Shrap, and none left the pilot. Users of the service included people who had no bank account, as the service did not require any link to other financial services. By contrast, Shrap had lower levels of usage in Rochford, where other services were available which ‘overshadowed’ the new concept. Clearly, the need for new services to be promoted is key to people taking them up.

This data can be interpreted in a number of ways. All of Shrap, Sonect and OneBanks were new services, with unfamiliar brand names.

“

Finally someone has realised not everyone is an internet wizard.”

MARTIN, HUB USER



Brand does matter in financial services (and even more so for people who are cash dependent). PayPoint, the Post Office and the major banks are all well-established, so establishing this recognition may be a matter of time for new providers.

Secondly, however, we also heard from consumers and small businesses that the technology-rich nature of these services had put some people off using them. Many consumers who depend on cash do so because they don't like, don't trust or don't have access to technology. There remain over 1.5 million households in the UK without internet access²², and 8%²³ of adults (over 4 million) without smartphones, often because they can't afford them. So having to use an app or a smartphone to access services was, in many (but not all) cases, too high a barrier to using the service. Both Sonect and OneBanks made modifications to their customer journey during the pilot to make the 'on boarding' experience easier for customers to use, and OneBanks plans to improve its experience further using "Variable Recurring Payments" under the Open Banking Standards. OneBanks also highlighted that 21% of their customers were aged over 70, demonstrating that their solution was not only used by the most digitally savvy.

What we learned

Cash-dependent people are often wary of using technology to manage their money. This can be for a wide variety of reasons. Services to support the cash dependent are likely to benefit from being very simple and easy to use, and not require specific hardware or technological capability.

22 Ofcom, April 2021

23 Statista, May 2021

7. | Supporting customers with their money management and digital services can work well, but only if done in a customer-centric way

A request from every pilot community at the beginning of the programme was to ‘help people manage money better – and get online’. Of the consumers we surveyed, mostly those who valued cash, only 9% said that they had no desire at all to bank online. It is well understood that there is a poverty premium that comes with not being able to engage with the world digitally; goods and services can cost more if you can’t shop online or use direct debits, and the barriers are increasing as shops shift to digital payments. In some communities, such as Botton Village, being able to manage money was key to unlocking more independent living.

We tested a variety of approaches in different communities. In Rochford and Cambuslang, we trained the Hub Bankers to be able to support residents who wanted to try online banking or learn to manage their money better. OneBanks trained their staff to do the same. In Botton Village we funded the community to procure their own training to support residents. In Burslem, HSBC UK worked with the community to design a range of videos to support residents on basic issues, including help with budgeting, online banking and fraud awareness. A similar approach was taken by TSB in Denny, and by Barclays in Hay-on-Wye, where monthly events were held to help people become more confident using digital banking and raise awareness of scams and fraud.

Only 9%

of consumers surveyed said that they had no desire to bank online

HSBC UK designed some very well-regarded videos with community leaders, tailoring the content right down to using local idioms to make the content accessible.

The results were mixed to say the least. In summary, services which were offered ‘stand-alone’ had negligible levels of use. By contrast, services which were offered by local people as part of an integrated experience had far higher levels of use. The length of the pilots and the confidential nature of the transactions mean that we weren’t able to track the number of people shifting online, so we are basing our evidence on usage data and feedback from service providers.

The Burslem experience is a good illustration of the issue. HSBC UK designed some very well-regarded videos with community leaders and the Swan Bank Church, tailoring the content right down to using local idioms to make the content accessible. There was minimal take-up of the video content until local charity Number 11 integrated it into the existing sessions and conversations with clients. Integrated this way, they made more sense, and had the benefit of a recommendation of their trusted adviser from Number 11.

Research by one of our partners, Toynbee Hall, backs up this approach. In 2017 they carried out action research with cash-dependent consumers about facilitating online transacting, in partnership with the Good Things Foundation. They found that showing someone how to do something rarely changed their behaviour. Instead, sitting side by side with a consumer, getting them to carry out the transaction and answering their questions along the way, built far more confidence that this was something they could achieve. Research by the banks' digital teams also suggests that getting customers to use digital banking or payments is not the 'one shot' exercise that people had previously thought. People may be able to log into their bank account, but that doesn't mean they will necessarily be comfortable carrying out a range of digital transactions. There are many reasons for this – ranging from fear of fraud and online safety to the potentially dire consequences of doing something wrong. Building confidence with digital services is difficult to 'teach', but this research, and our pilot experience, suggests that some cash-dependent consumers can and will use digital banking technology if the learning experience is a good one, where the focus is on supporting them to do it themselves rather than showing them what to do.



What we learned

Many cash-dependent consumers want to be able to use online banking and other digital services. Supporting them to do so is in everyone's interests. Doing so effectively will rely on integrating financial support and education with existing support interventions, ideally delivered by people trusted in the community.

8. Small businesses need local, reliable deposit services. They also welcome the benefit that good access to cash can bring in terms of local regeneration and increased footfall.

Much of the access to cash debate in the UK has focused on the needs of consumers. However, for consumers to keep paying for goods and services in cash, small businesses need to keep accepting cash. It is therefore vital that small businesses can bank cash easily, particularly to pay in their takings. This is why the pilots focused explicitly on the needs of small business as well as those of consumers.

At the beginning of the pilots, the main retailers in every pilot community accepted cash, and the communities didn't report any issues with cash acceptance. Some of this changed over the course of the pandemic, with cash use reducing and more retailers openly expressing a preference for cards. However, very few retailers went 'cashless' during the pilots, even if their cash banking needs changed. We believe this may have been due in part to the pilots – because we were able to improve deposit services and because the pilots increased awareness among retailers of the need for cash amongst the vulnerable.

At the start of the pilots, the businesses we spoke with had many concerns about access to cash. Some concerns related to their own transactions, such as the ability to make deposits quickly and

safely. But many related to the wider viability of their towns and the local economy. Retailers had seen shoppers go online and out of town, and observed that if consumers were going to get their cash out elsewhere, they were probably going to do their shopping elsewhere too. Businesses had two overriding aims for the pilots: to improve their own access to cash, and to increase the vibrancy of their local economy.

High street retailers were a core focus during the pilots. These retailers needed to run a cash till, often requiring a float, and to deposit their takings. No pilot communities had a bank branch, although most had local Post Offices with counter services which took deposits. Although a few retailers expressed a preference for cash (mostly because of lower bank charges and less investment required in technology), the main reason that they accepted cash alongside digital payments was generally to give their customers choice of how to pay.

What did the pilots tell us about the needs of retailers in terms of their own cash access?

We found that the primary service needed by small retailers was deposits, with many reporting making far more deposits than withdrawals. Retailers needed to be able to deposit both notes and coins, and they needed to do so quickly, safely and privately. Retailers told us that being able to deposit cash in a way that met their needs was essential if they were to continue to accept cash as a payment method.

Our analysis suggests that the needs of retailers are more complex than those of consumers. Many of the needs expressed by consumers (privacy, security, safety) were amplified, not least because of the larger sums being deposited. The need for privacy was so acute that over 60% of retailers we spoke to said that before the pilots, they had been leaving town to deposit cash rather than use local services. If they couldn't deposit their cash privately locally, they were seeking out anonymity elsewhere.

Over 60%

of retailers interviewed in Hub locations said that they had been leaving town to deposit cash rather than use local services.

92%

of small businesses said that as a result of the pilot they are more likely to keep accepting cash

Given that this cost them time and money, this was a significant finding.

The need for speed was felt far more acutely by retailers than consumers, particularly if they were transacting during working hours. For many retailers, leaving their business to deposit cash meant closing up – so if deposits could only be made during working hours, a queue or a trip to another town could result in lost income.

The consequences of not meeting needs

For retailers who were struggling to bank cash, a few alternatives were openly discussed. First was the option of going cashless. Few retailers wanted to do this because many of their customers wanted to pay in cash, but it was recognised as an option if depositing cash became too difficult. Another option favoured by a few retailers was to revert to paying their staff in cash to avoid having to make a trip to deposit it. Others said that they had been keeping cash longer in the till, even though this had security and insurance implications.

Retailers were also aware of the consequences of not meeting consumers' cash access needs. They saw consumers travelling elsewhere to access cash and do their basic banking, taking trade with them. Many businesses saw cash access as essential to the viability of their local economy.

The value of 'cash recycling'

One of our pilot ideas had been to increase the amount of cash that local retailers could 'recycle' to avoid the need for deposits or withdrawals. The most significant of these was cashback, where retailers could offer cash to consumers as a way of keeping their till levels low. The other was Shrap's coin recycling service, so that retailers could give consumers their change on a card or an app rather than in coins, so that the retailer didn't need to go back to the bank or Post Office to get a float quite as often.

Retailers saw value in these services. They felt they could help their own cash management and offer new services to consumers. However, while these were seen as valuable supplements to a core deposit service, retailers felt that on their own, cashback and coin recycling are unlikely to make a huge difference.

What deposit services do small businesses want?

The primary need expressed by retailers across the eight pilots was for quick, easy, secure and private deposit services. Retailers told us that these could either be local (with no or minimal queues) or further away, but with parking and operating out of hours.

We tested a wide range of deposit services during the pilots. In the existing Post Offices we took measures to make business deposits quicker. In two locations, Rochford and Burslem, we introduced a new Post Office automated Cash Deposit Machine (CDM), like a 'reverse ATM', which took notes from local businesses. In Rochford, Cambuslang and Burslem, the Post Office or BankHub counter had a Telecash Recycler installed, which sped up deposits significantly, reducing the time to count a large deposit from over 10 minutes to under a minute, reducing queues, and improving accuracy. In Denny, OneBanks offered a deposit service to consumers and small businesses alike. In both Burslem and Cambuslang, NoteMachine offered a stand-alone CDM in a supermarket on the edge of town, open late. And the two Banking Hubs took deposits over the counter.

By far the most popular way of depositing was over the counter in the Hubs. The reasons given were that the counters accepted both notes and coins (the machines all accepted notes only) and that the lack of queues made the process quick and easy.

The least used services were the NoteMachine CDMs in Cambuslang and Burslem. The communities in both locations agreed that the idea was good, but the delivery was problematic. For anti-money laundering reasons, both services had required small businesses to sign up in advance, but there were few people put forward by NoteMachine to explain what businesses needed to do. NoteMachine had also introduced a £10 per transaction charge, which represented a big overhead. As a result, businesses used the other services, which were cheaper and quicker.

“

The BankHub is the anchor on our High Street. It has kept trade local and supported small businesses during some challenging times”

CAMBUSLANG COMMUNITY LEADER

Businesses in Rochford and Cambuslang told us that as a result of the pilots:

38%

are travelling less, saving time and money

23%

no longer need to close their shop to get, or deposit cash

The CDMs in the Burslem Post Office and Rochford BankHub were used less by businesses than we expected, averaging 12 deposits a day. Despite being set up to help small businesses, they were actually used most by consumers – with 83% of use by consumers, and 17% by small businesses. Businesses told us that there were two reasons for this: firstly, the machines only accepted notes (and most wanted to deposit notes and coins at the same time) and secondly, because in Rochford the BankHub counter service was “so good” that it was easier to walk over to the counter to use the service there (CDM usage was over 50% higher in Burslem where the alternative was a Post Office counter). However, it is worth noting that usage of the CDM service did grow substantially through the pilot period.

Average deposit values in the CDM machine were higher than over the counter, with CDM values averaging £430 per transaction for consumers, and £2,750 for business customers – compared with £376 for consumers and £1,080 for businesses over a Hub counter. There are likely to be some sole traders classified as ‘consumers’ in this survey, using a personal bank account to run their business, so the ‘consumer’ data will be higher than if they were excluded. However, this does suggest that those people who deposit larger sums are more likely to use a machine than those depositing smaller amounts.

In Cambuslang and Rochford:**37%**

of businesses told us that footfall had increased in their shop as a result of the pilot interventions²⁴

34%

of businesses told us that footfall had increased in their area as a result of the pilot interventions²⁵

Did the Banking Hubs support local economic regeneration?

The combination of the different services does appear to have made a significant difference to small businesses in the pilot communities. The biggest differences were seen in Cambuslang and Rochford – both towns with a Banking Hub.

After its last bank branch in town closed in 2019, community leaders in Cambuslang conducted a survey. 83% of consumer respondents said that they were shopping less on Main Street, with the main reason given that they wanted to do their shopping at the same time as withdrawing or depositing cash. 96% of businesses owners had also reported a negative impact on their business viability, with over three quarters considering it a ‘major impact’. Almost 60% of businesses reported a loss in trade. One of the tests was whether opening the Banking Hub brought some of that footfall back into town.

The impacts of the pilots could also be seen outside the communities with Hubs. In Millisle, where cashback and coin recycling were particularly popular, **90%** of survey respondents said that they were shopping in their local area more.

In Cambuslang and Rochford:**34%**

of businesses told us the interventions had reduced the amount of time that they needed to close their shop to carry out banking²⁶

In Cambuslang and Rochford:**51%**

of consumers reported shopping locally more as a result of the pilot services.

This rose to **69%** among respondents who have used the services who identified as financially vulnerable.

49%

of consumers reported that they were travelling out of town less as a result.

24 This was 8% across all of the pilot communities

25 This was 18% across all of the pilot communities

26 This was 23% across all of the pilot communities



What we learned

Retailers care about the viability of their local economy and many see cash access as core to retaining commerce locally.

To keep cash viable, small retailers need appropriate deposit services, either local and quick (during working hours) or out of hours with parking available. Without these services there is a high risk that more shops will stop accepting cash. Deposit services need to accept both notes and coins.



SECTION 7

Next steps

The Community Access Cash Pilots were set up to trial and test scalable solutions to help keep cash sustainable.

Our goal was to use the results of the pilot to inform regulators and industry so that cash can remain a viable method of payment for consumers across the UK, and so that small businesses can continue to accept and bank cash. The amount of attention and focus there has been on the pilots from the media, regulators, policy makers and industry is therefore extremely encouraging.

If the pilots had ended and no action had been taken, we would have been very disappointed. Positively, it already looks like the pilots made a difference, both in terms of the future for the pilot communities, and also in relation to any wider roll out of successful interventions.

For our pilot communities, although the pilots have now finished we believe that we have left most with sustainably better cash access than before the pilots.

Botton Village, Lulworth Camp, Rochford, Cambuslang and Burslem have new free to use ATMs. Botton and Lulworth have new Post Office facilities. Cambuslang and Rochford have a BankHub which the banks and Post Office have committed to keeping running until at least April 2023. Many people, across many communities, now have stronger financial capacity as a result of the support given in different ways across the pilots. And with cashback without purchase being rolled out nationally in PayPoint locations, Shrap deciding to extend their reach as a result of the pilot, and both OneBanks and Sonect keeping their service running, there is new support in place to meet a wide variety of needs.

But our ambition for the pilots was always more than to just support eight communities – we wanted to find scalable solutions.

Positively, over the course of the pilots we have been working closely with the FCA, with all of the major banks, as well as with Nationwide, with leading consumer groups including Which? and Age UK and with the Post Office to explore how these ideas could be developed for wider application. The Cash Action Group, formed in early 2021, and representing all of the major banks and key consumer groups, has been actively considering the lessons from the pilots. It will be for others to announce the decisions reached.

We are also confident that the pilots have deepened our collective understanding of what works, where, and why.

Many of the ideas we piloted have been discussed for many years, with firmly held opinions developing about why they might, or might not work. By testing the concepts in reality we have hopefully busted some myths, and opened up opportunities for regulators and industry alike to improve services for people and businesses who use cash.



There is ample scope for innovation in cash provision.

We were limited in the services we could test by the services which providers had available. For a long time, innovators have seen the cash market as commercially unattractive, given that it is declining, and dominated by traditional solutions such as ATMs. However, as cash use declines, there is increasing demand for new, lower cost solutions which make use of shared infrastructure. A good example would be in deposit services, where no commercially available deposit service for the customers of multiple banks exists outside of the Post Office, despite there being a lot of demand from small businesses. We would encourage innovation in this market.

Supporting those who depend on cash is critically important, and we hope that the work of the Community Access to Cash Pilots has played a valuable role in demonstrating how we can do so, practically and affordably.

SECTION 8

The team

The pilots would not have been possible without the commitment, energy and enthusiasm of hundreds of people across the UK. Particular thanks go to:

The Board

The Community Access to Cash Pilot programme was established with an independent board, which comprised an equal balance of industry and consumer group representatives. The Board was chaired by Natalie Ceeney CBE who led the Access to Cash Review. The LINK scheme was represented as an observer, and all the major banks who are not members of the Board were also invited to participate in key discussions, as observers, so that we could design solutions which work across the whole banking sector.

Natalie Ceeney CBE

Chair

Lady Margaret Bloom CBE

Kings College London

Martin McTague

Federation of Small Businesses

James Daley

Fairer Finance

Tim Allen

Barclays

Helen Grimshaw and Richard Talbot

NatWest

Iain Gibson

Sainsbury's Bank

Kirsty Lacey and Adam Bishop

Santander

John Howells

LINK (observer status)

James Rowe

Lloyds Banking Group (observer status)

Helen Doyle

HSBC UK (observer status)

Heather Cunningham

TSB (observer status)

The project team

The programme was led by **Chris Ashton**, who was seconded full time into the programme from NatWest in early 2020, and then, when the programme extended into 2021, left NatWest to join the programme as an employee. Chris was joined by **Kwabena Ofori-Awuah Junior** in June 2021 to support the communities further. The work has also been supported by **Hannah Cane**, **Emma Pople** and **Cat Farrow**, who have supported the programme evaluation and report writing.

The Post Office was also instrumental in supporting this work, with **Ross Borkett** dedicating significant time to the project, and co-ordinating the efforts of the Post Office in support of the pilots, working effectively as part of the central team for much of the pilot period.

UK Finance also gave the programme significant support, providing the team secretariat and advice on procurement, legal and programme management issues. **Juliet Trimby** and **Peter Tyler** in particular gave significant time to support the work.

The operations group

Each bank also provided extensive support to the programme, through local on-the-group support, facilities support, writing materials, branding, marketing and more. Every bank engaged in the pilot work gave the substantial time of a wide range of staff to make the pilots a success. Similarly, the Post Office team were heavily engaged in the work, project managing the BankHub establishment, and developing branding, as well as supporting the refurbishment of existing sites, with **Esther Harvey** deserving of special mention for project managing the physical set up of the two BankHubs. And the various solution providers worked extensively with the local community to ensure that what they were piloting met needs, as well as with the central team to support the evaluation.

Barclays

Gary Sennett
Kelly Campbell

HSBC UK

Emma Siddall
Duncan Hawken
Khadijah Shaffique
David Hatton
Georgina Beer
Ismaeel Ahmed
George Mulpeter
Nicole Wickwar
Andrea Reeve

LBG

Nicolas Besley
Lorna Rimmer
Carla Lloyd

LINK

Adrian Roberts
Sue Wallis

Nationwide

Thomas Jeffery

NatWest

David Gilmour
Annabel Moody
Kai Grunwald

Post Office

Esther Harvey
Martin Kearsley
Bobby Hope
Nigel Bascombe
Simon Rusbridge
Fiona Flannigan

Santander

Paula Villiers
Mark Draper
Andy Hockley
Debbie Taaffe

TSB

Heather Cunningham
Derek Smith
Maria Fernandes-Johnson

UK Finance

Kieran Jones
Denise Flowers
Keeley Parsons

Virgin Money

Fiona Nairn
Iain McGregor
Kerrie Begley

The community leaders

Above all, this programme could not have happened without the leadership within each community, most of who were people who did this work in their spare time, outside their day job, to support their community.

Sadly, **Craig Cannell**, who led the Rochford team, passed away on 14th November 2021 aged just 32. Craig's loss won't just be felt to his family and fiancée Charlotte, but also to the community he served so effectively as a councillor and campaigner for Rochford.

At the risk of missing out key people, we'd like to thank:

Botton Village

Steve James
Colin Buck

Burslem

Jonathan Gullis MP
Beth Sharp
Alan Turley
Alison Lynley
Julie Miles

Cambuslang

John Bachtler
Mark Lauterburg

Denny

Louise Hay

Hay-on-Wye

Josh Boyd Green
Andrew Williams

Lulworth Camp

Simon Champkin

Millisle

Jo Scott
Bill Megraw

Rochford

Craig Cannell
Paul Thurgood
George Ioannou

Community Bankers, or "Hub Bankers" and their Post Office colleagues

A lot of the success of the Banking Hubs was down to the work of the local bankers from each bank who supported customers across a wide range of issues. The "Hub Bankers" were universally praised for their supportive approach to cash dependent customers. And the Hubs would not have been able to operate without the superb leadership given by the Post Masters, **Richard, Jan, Paul and Cal**, who provided a supportive, welcoming and accessible counter service for both Hubs. Our thanks go to:

Barclays

Jakob Laux
Karen Williams
Steven Buffin
Justin Mason
Lisa Burton
Timothy Goodfellow

Bank of Scotland

Claire Smith
Lorraine McLoughlin

HSBC UK

Lee Stirling
Ali Hoskin
James McBride
Shannon Rowan
Annabella Atkinson

Lloyds Bank

Martina Georgieva
Tanya Davis
Donna Beestone

NatWest

Nicky Cooper
Ann Mckie
Toni Jean Baptist
Bernadette Merry
Mark Muirhead
Tim Homan
Gregory Couch
Richard Gill
Fax Siraj

Post Office

Richard Fleetwood
Jan Culverwell
Paul Culverwell

Cal McCall

Santander

Stephanie McQuaid
Jack McTurk
Fred Easlea
Angela Cooke

TSB

Nevan Brown
Cherylann Miller
Octavian Circiu

Virgin Money

Maxine Clarke
Nardine Jack
Kerrie Begley
Caroline Meikle
Alan Scott
Donna Scott

Solution providers

In order to pilot new services, we needed new solution providers. The leaders of these organisations put in a huge amount of work in order to get services ready for launch, to raise awareness amongst retailers and communities, and to deliver against the timescales of the pilots. Our thanks go to:

NoteMachine

Chrissie Nash

OneBanks

Duncan Cockburn

PayPoint

Alex Kemp

Shrap

Chris Forero-Slee

Sonect

Ron Delnevo

Community Access to Cash Pilots

Final report
December 2021